

THE COMMONWEALTH OF MASSACHUSETTS

DEPARTMENT OF  
TELECOMMUNICATIONS & ENERGY

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**Massachusetts Department of  
Telecommunications & Energy**

**Transition Book and 2006 Annual Report**

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## **Introduction**

The Department of Telecommunications and Energy (“Department”) has a dual role of ensuring that regulated industries provide quality service at reasonable rates and promoting public safety. Public safety, particularly in the natural gas pipeline and transportation industries, is the Department’s most important responsibility. Safety and security of the utility and transportation infrastructure regulated by the Department have taken on an increased level of importance at the Department since the terrorist attacks of September 11, 2001.

The Department is overseen by a five-member Commission appointed by the Governor. According to statute, one member must have a background in electricity, natural gas and energy issues, one in telecommunications, one in cable television, and one member must have a background in consumer protection and advocacy. The Governor designates one of the Commissioners as Chairman.

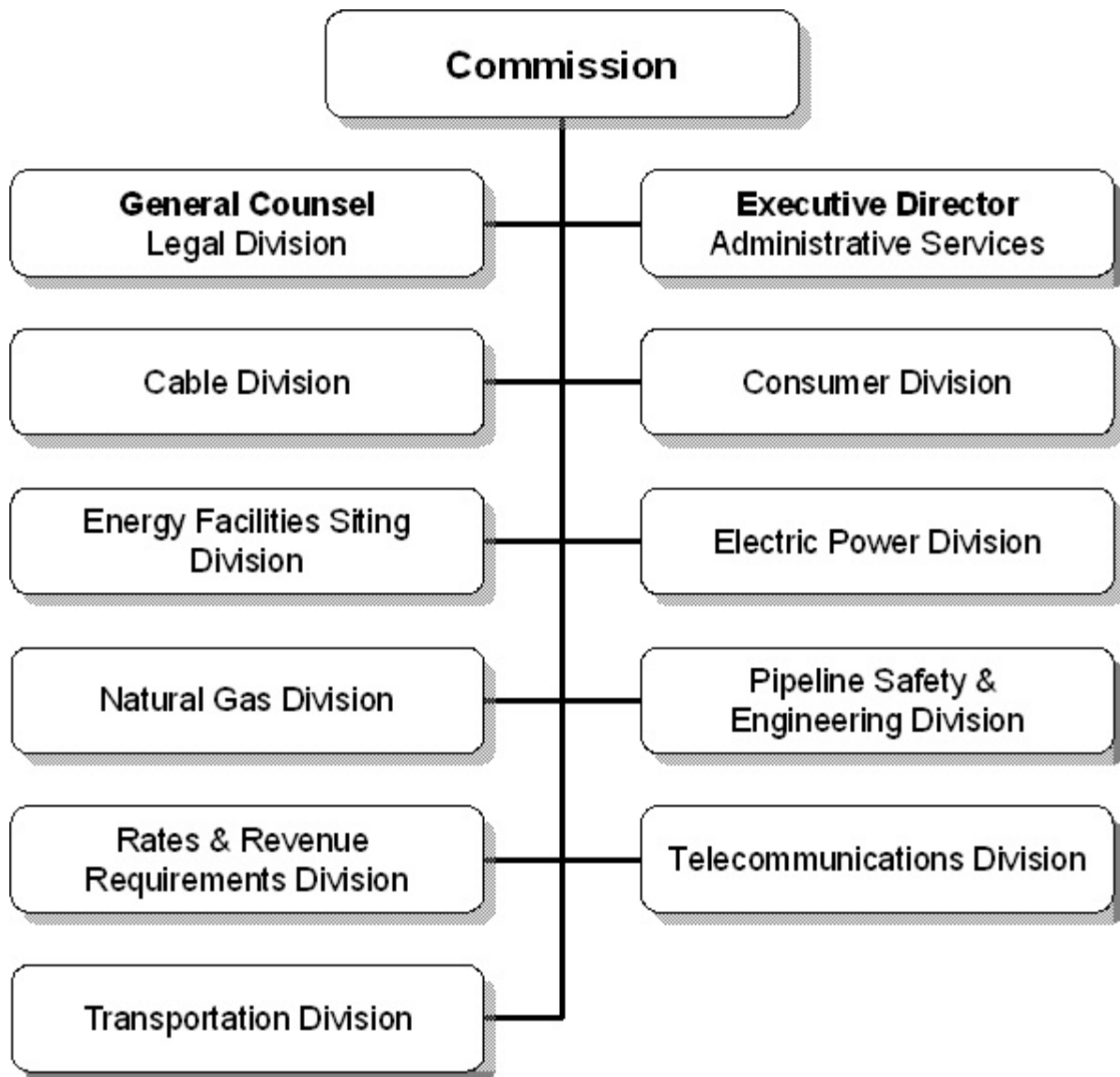
The Department has regulatory authority for a significant portion of the Massachusetts economy, nearly \$12 billion, representing the electric, gas, cable television and telecommunications industries. The Department’s responsibilities include establishing rates and ensuring service quality for the investor-owned electric power, natural gas, telecommunications, and water industries. The Department also plays a role in setting rates in the transportation, water and cable television industries. The Department does not regulate the rates or services of other public agencies, such as municipal electric companies or water authorities.

The energy and communications industries are in the midst of revolutionary changes in technology, market structure, and regulatory policy. Some of these changes are driven by state law, particularly in the electric industry. Over the past decade, the Department has devoted significant efforts to establishing structural conditions and economic policies that allow for the development of efficient competitive markets, wherever they are feasible.

Federal law and regulation are driving many of the changes in the energy and telecommunications industries. In some cases, federal actions have reduced the discretion of the Department in important respects. To protect Massachusetts customers’ interests, the Department has increased its involvement in the federal policy-making process, both individually and as an active participant in the New England Conference of Public Utility Commissioners and the National Association of Regulatory Utility Commissioners.

This report summarizes the responsibilities of the various staff divisions within the Department, provides details about the day-to-day functions of the agency and provides information about specific activities and accomplishments during 2006.

**Organizational Chart**  
through April 10, 2007



## Electric Power Division

### Overview

The Electric Power Division's mission is ensuring that (1) Massachusetts electric companies<sup>1</sup> provide their customers with distribution and customer service in a safe, reliable and least-cost manner, and (2) retail competitive suppliers provide generation service to customers in a manner consistent with the 1997 Electric Industry Restructuring Act ("Restructuring Act") and the Department's regulations.

In addition to overseeing electric companies, the Electric Power Division:

- Analyzes electric companies' service quality plans and annual performance;
- Monitors electric outages and oversees plans for corrective actions;
- Evaluates the cost-effectiveness of electric companies' energy efficiency programs;
- Reviews annual transition cost reconciliation filings;
- Participates in regional and national initiatives to restructure the wholesale electric industry;
- Monitors wholesale market prices and the long-term adequacy of regional power supplies;
- Facilitates the development of a competitive generation market for small customers;
- Reviews electric company solicitations for basic service supply; and
- Grants licenses to qualified entities to serve as suppliers and brokers of electricity.

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<sup>1</sup> The electric distribution companies in Massachusetts are: Fitchburg Gas and Electric Light Company; Massachusetts Electric Company and Nantucket Electric Company ("National Grid"); Boston Edison Company, Cambridge Electric Light Company, and Commonwealth Electric Company ("NSTAR Electric"); and Western Massachusetts Electric Company.

## **Background**

To better understand the Electric Power Division's mission, it is helpful to view electric service in terms of four major components: (1) generation service, associated with the power plants that produce electricity; (2) transmission service, associated with the high voltage wires that transport electricity from power plants to distribution substations; (3) distribution service, associated with the low voltage wires and facilities that transport electricity from distribution substations to customers; and (4) customer service, such as billing and metering. Historically, the Massachusetts electric companies provided the four components on a bundled, monopoly basis (i.e., customers had no choice but to receive these services through their electric companies). The Department's regulatory scope encompassed all four components.

In November 1997, the Massachusetts General Court passed the Restructuring Act, which introduced competition into the generation component of electric service. The Restructuring Act states that "long term rate reductions can be achieved most effectively by increasing competition and enabling broad customer choice in generation service, thereby allowing market forces to play the principal role in determining the suppliers of generation for all customers." Since March 1, 1998, customers have had the opportunity to choose entities other than their electric companies to provide the generation component of their electric service. The remaining components of electric service (transmission, distribution, and customer service), remain monopoly services offered by the Massachusetts electric companies under regulation by the Department or, in the case of transmission, under regulation by the Federal Energy Regulatory Commission ("FERC").

## **The Restructured Electric Industry**

The Restructuring Act established three generation service options for electricity customers: (1) standard offer service, a "rate-protected" transition service that electric distribution companies provided through February 2005; (2) competitive generation service, provided by competitive suppliers; and (3) default service, a "last resort" service that is provided by electric distribution companies. All customers receive the same level of distribution, transmission, and customer service regardless of their generation service. However, the price that the customer pays for generation service is dependent on the type of service the customer is receiving.

On March 1, 2005, the seven-year transition period to a competitive electric market established by the Restructuring Act, which encompassed standard offer and default service options, expired. Therefore, standard offer service no longer exists as a generation option for customers. In addition, the Department now refers to "default service" as "basic service" to better describe the function it plays in the restructured industry.

## **Competitive Generation Service**

As stated above, the linchpin of a restructured electric industry is the creation of a competitive market for generation services. The Department's goal is providing electricity customers with the broadest possible choice of generation suppliers, in order to allow customers to share the benefits of a competitive marketplace. To do so, the Department grants licenses to qualified entities to serve as competitive suppliers and electricity brokers in the restructured industry. Competitive suppliers are entities that purchase electric output from generators at the wholesale level, and sell the electricity to consumers at retail. Electricity brokers are entities that facilitate or arrange for the sale of electricity to customers, acting as "middlemen" between suppliers and customers. Staff from the Electric Power Division review license applications to determine whether the applicant has demonstrated, among other things, the financial and technical capability to provide the applicable services. As of December 31, 2006, there were 29 licensed competitive suppliers and 71 licensed electricity brokers in Massachusetts. These suppliers and brokers sell electricity primarily to large and medium-sized commercial customers.

The terms and conditions by which competitive suppliers and brokers offer products and services to customers, including prices, are determined by the competitive marketplace. To assist customers in comparing these products, the Restructuring Act requires each supplier to issue information disclosure labels which describe the environmental characteristics of the power plants from which the supplier purchases the electricity.

In order to assist in the development of the competitive market, the Department requires that each electric distribution company make available customer information lists to licensed suppliers and brokers. The information lists must include customer names, addresses, and historic consumption data (customers may opt to have their information removed from the lists). The release of this information removes a barrier that competitive suppliers would otherwise face. In addition, the Department established a mechanism so that customers can use the internet to electronically approve their competitive deals.

The Restructuring Act established special provisions for a municipality that seeks to aggregate the electrical load of customers located within its municipal boundary, for the purpose of allowing those customers access to competitive supply market. The Department has approved a municipal aggregation plan for the Cape Light Compact, encompassing the cities and towns located on Cape Cod.

## **Basic Service**

Basic service, formerly known as "default service" is the generation service that each distribution company is required to offer for customers not receiving generation service from a competitive supplier. Basic service supplies are competitively procured

with rates based on the results of solicitations. Staff from the Electric Power Division review each company's solicitations to ensure compliance with the Department's rules and regulations.

### **Implementation of Service Quality Standards**

In 2006, the Electric Power Division analyzed each electric company's 2005 service quality performance. The Electric Power Division, in coordination with Rates and Revenue and Gas Divisions, performs an annual review of compliance filings made by the electric and gas companies to determine whether the electric and gas companies have met the service quality performance standards. If a Company fails to meet a performance standard, appropriate penalties is assessed.

The Restructuring Act directed the Department to establish service quality standards requiring Massachusetts electric companies to maintain, at a minimum, their historic levels of service quality. In 2001, the Department established service quality standards for all electric and gas utilities. Service Quality, D.T.E. 99-84. In 2006, the Department issued revised service quality standards originally established in D.T.E. 99-84. Investigation into Service Quality Guidelines, D.T.E. 04-116.

### **Monitoring Distribution System Reliability**

During the summer of 2001, Massachusetts experienced repeated, record demands for electricity. Distribution system failures became pronounced during that summer. Consequently, the Department directed electric companies to: (1) examine the underlying causes of those outages, (2) diagnose any operational or physical problems affecting their distribution systems, and (3) establish a plan to reduce or eliminate recurrences. As a result, the electric companies proposed numerous corrective actions. The Electric Power Division continues to track those corrective actions and related activities.

In addition, in keeping with its mandate to ensure reliable and safe operation of electric distribution system, the Department directed that each electric company produce an annual analysis of its distribution system to include (1) a ten-year load growth forecast capable of identifying high-growth zones; (2) a description of the company's transmission and distribution design and planning criteria and an explanation of how those criteria are applied; (3) a distribution system operating study focused on contingency management; and (4) an update to corrective actions and capital investments planned for the next five years. The Electric Power Division analyzes this information and compares it to our own reliability data to ensure that Massachusetts electric customers receive reliable distribution service at the lowest possible cost under a variety of conditions.

The Electric Power Division relies on the Outage Reporting Protocol ("ORP") as a means of electronically receiving real-time reports of significant customer outages.



Within 30 minutes of a significant outage, the ORP system transmits data to the Electric Power Division including the location of the outage; number of customers affected; number of circuits affected or out-of-service; likely cause; any bodily injury; and whether a critical facility, such as a hospital, is involved. To further improve monitoring of the electric distribution system reliability and safety, the Department has expanded the outage reporting required under the revised Service Quality Guidelines. In addition, the Electric Power Division reviews the electric companies Quarterly Reports submitted by the electric distribution companies analyzing all significant outages, and the actions taken or planned to mitigate any evident problems

### **Evaluation of Energy Efficiency Programs**

Electric companies are statutorily required to implement energy efficiency programs. In 2006, companies installed energy efficiency equipment projected to save Massachusetts customers about \$506 million over the useful life of that equipment. To fund their energy efficiency programs, the distribution companies collect 0.25 cents per kilowatt-hour ("KWH") as specified by statute. The Electric Power Division works closely with the Division of Energy Resources ("DOER") to monitor the annual implementation of these energy efficiency programs; DOER oversees program design, while the Department reviews program cost-effectiveness (*i.e.*, whether the program provides net benefits to customers).

### **Review of Transition ("Stranded") Cost Reconciliation Filings**

Transition costs are those generation-related costs incurred by Massachusetts electric companies prior to electric restructuring, which the companies would not otherwise be able to recover from their customers because of the introduction of a competitive market for generation services. Transition costs represent the above-market, or uneconomic, portion of a company's generation assets. The Restructuring Act allows electric companies to recover their transition costs, provided that such costs are mitigated through actions such as divestiture. The Electric Power Division analyzed the divestiture filings submitted by each of the electric companies, to ensure that such divestiture fully mitigated each company's transition costs. The Electric Power Division and the Rates and Revenue Requirements Division continue to review transition cost reconciliation filings submitted annually by each company.

### **Monitoring Wholesale Electricity Markets**

The high-voltage electricity grid in Massachusetts is part of the New England power grid, which is operated by the federally-regulated Independent System Operator, New England ("ISO-NE"). ISO-NE coordinates power plant operations and the transmission grid to ensure the moment-to-moment reliability of the New England electric system. During 2006, the Electric Power Division was actively involved in ISO-NE related matters to protect the interests of Massachusetts' electricity customers.

For example, the Electric Power Division monitored wholesale market prices and long-term power supply adequacy to ensure reliable and affordable electric service for Massachusetts. Reliability and affordability are particularly important for “load pockets” like metropolitan Boston where generation is insufficient when compared to load.

## **2006 Electric Power Division Accomplishments**

In 2006, the Electric Power Division actively participated in the following major dockets:

- Outage Reporting Protocol. The Electric Power Division revamped the ORP system to incorporate more accurate outage information. The Electric Power Division monitors ORP data daily and responds to reports of significant and/or frequent interruptions to customers.
- Service Quality Plans, D.T.E. 06-15, 06-17, 06-19, 06-21, 06-22, and 06-25. The Electric Power Division reviewed the 2005 service quality performance of electric companies by analyzing criteria such as average outage frequency, average outage duration, telephone answering, and lost-time accident rate.
- Stray Voltage Measurement Practices. In light of ongoing concerns due to stray voltage and manhole incidents, the Department continued to address these issues in 2006. The Department initiated independent reviews of electric company stray voltage and manhole practices to include recommendations for improvement. The Electric Power Division worked closely with independent reviewers to facilitate a comprehensive review with appropriate follow-up procedures.
- Distributed Generation, D.T.E. 02-38. The Department continued its investigation into distributed generation in Massachusetts. Distributed generation refers to customer-owned generation that serves all or part of the customer’s load, thereby reducing that customer’s use of electric power from the regional grid and the distribution system. Uniform interconnection standards were developed by a working group known as the “Massachusetts Distributed Generation Collaborative.” The final annual report of the Collaborative was issued in June 2006 and included modifications to the interconnection standards. On December 29, 2006, the Collaborative submitted an update on the ongoing distributed energy planning workshops held in the fall of 2006. The Department is reviewing comments regarding modifications to the interconnection standards and anticipates issuing an order in early 2007.

## Wholesale Electric Markets

- Regional Planning. The Electric Power Division participated in the development of New England's regional plan known as the Regional System Plan for 2006 ("RSP06"). RSP06 examined the needs of the New England power system in terms of long-term adequacy, transmission constraints, fuel diversity, and load pockets. The Electric Power Division also participated in the review of the alternatives and cost allocation proposals associated with major projects such as Northeast Utilities' Southwest Connecticut 345 kV Transmission Project between Bethel and Norwalk, and National Grid's North Shore Transmission Upgrades. In addition, the Electric Power Division participated in meetings of the NEPOOL Transmission and Reliability Committees, involving review and approval of projects to enhance the region's electric system reliability.
- Locational Installed Capability ("LICAP"), FERC ER03-563-030. The Electric Power Division actively collaborated with ISO-NE and representatives of other New England states to design a method that promotes the construction of generation in New England. During 2006, the New England stakeholders participated in and achieved a settlement agreement of the LICAP case. This settlement created a Transition Period (which runs December 2006 through May 2010) and a Forward Capacity Market (which begins June 2010). During 2006 the process began to create the amendments to Market Rule 1 to implement the Forward Capacity Market, the Electric Power Division was one of the stakeholders that participated in this process.

## Natural Gas Division

### Overview

The Natural Gas Division (“Gas Division”) provides technical support to the Department in the regulation of the state’s nine investor-owned natural gas companies (also called “local distribution companies” or “LDCs”).<sup>2</sup> In total, these companies serve approximately 1.46 million gas customers, and have combined operating revenues of approximately \$2.91 billion.

Over the last several years, the Gas Division has worked to promote competition in the local gas distribution industry through the “unbundling” of rates. The Gas Division has brought about regulatory changes that provide gas customers with opportunities to participate in a competitive gas market, while maintaining traditional consumer protections.

The Gas Division has the authority and the responsibility to:

- Review LDCs’ forecast-and-supply plans and long-term gas supply contracts;
- Review non-tariff contracts for the sale and transportation of natural gas;
- Review the appropriateness and accuracy of LDC filings made pursuant to the Cost of Gas Adjustment Clause (“CGAC”) and the Local Distribution Adjustment Clause (“LDAC”);
- Review LDCs’ energy efficiency plans;
- Assist the Rates and Revenue Requirements Division in base rate, merger, and financing filings;
- Review LDCs’ service quality filings;
- License gas suppliers and retail agents; and

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<sup>2</sup> The LDCs in Massachusetts are: Bay State Gas Company, The Berkshire Gas Company, Blackstone Gas Company, Fitchburg Gas and Electric Light Company, KeySpan Energy Delivery New England (formerly Boston/Colonial/Essex Gas Company), New England Gas Company (Fall River Gas Service Area and North Attleboro Gas Service Area), and NSTAR Gas Company.

- Review and, where appropriate, intervene in federal regulatory proceedings and activities that affect the interests of gas consumers in the Commonwealth.

## **Natural Gas Division Responsibilities**

### **Review of Forecast and Supply Plans**

LDCs must submit a five-year Forecast and Supply Plan to the Department for approval every two years. In its review of the forecast component, the Gas Division determines whether the company has accurately projected the gas requirements of the company's service area. A forecast must contain accurate and complete historical data and employ reasonable statistical projection methods. In its review of the supply plan, the Division must determine whether the plan is adequate to meet projected customer demand under a range of contingencies. During 2006, the Gas Division reviewed four forecast and supply plans.

### **Review of Long-Term Gas Supply Contracts**

LDCs must submit all supply contracts with terms longer than one year to the Department for review and approval. Long-term supply contracts include both gas commodity (the natural gas itself) and capacity (the pipeline required to transport the natural gas from the production areas to the LDC's distribution system). In evaluating a gas company's proposed contract for commodity or capacity, the Gas Division examines whether acquisition of the resource would be consistent with the public interest. To do so, the Gas Division determines whether the LDC has shown that the acquisition (1) would be consistent with the company's portfolio objectives, and (2) would compare favorably to the range of options reasonably available to the company and its customers. During 2006, the Gas Division reviewed nine long-term supply contracts.

### **Review of Non-Tariff Contracts**

Large commercial and industrial gas customers capable of burning alternative fuels, such as oil or coal, sometimes find that their gas companies' Department-approved tariffs are not competitive with alternative fuel options. To retain these customers and assure a continued stream of revenue, LDCs may offer them non-tariff contracts, subject to Department approval. In its review, Gas Division staff ensures that (1) the customer is capable of burning an alternative fuel; (2) the price charged under the contract exceeds the marginal cost of providing this service; and (3) the company's existing ratepayers are not responsible for any of the costs associated with providing the specified service. In 2006, the Gas Division reviewed 25 non-tariff contracts.

## **Review of Requests for Cost Adjustments**

Department regulations allow gas companies to recover costs incurred for the purchase, storage and interstate transportation of gas (referred to as “gas supply costs”). Gas commodity costs typically fluctuate seasonally. Through cost-of-gas adjustment filings, LDCs request billing changes that enable them to reconcile these fluctuations. The Gas Division reviews these filings to ensure accounting accuracy and prudent company practices, and approves adjustments to billings via the Cost of Gas Adjustment Factor. LDCs file no less than semi-annually. Since 2001, the Department has required gas companies to make interim filings for recovery of gas supply costs, when projected under- or over-collections exceed five percent. These adjustments help reduce the impact on customers’ bills when there are significant changes in gas supply costs. During 2006, the Gas Division reviewed 45 requests for cost adjustments.

Similarly, Department regulations allow a gas company to recover, or credit on a reconciling basis, a variety of costs that have been determined to be distribution-related but are not included in base rates.<sup>3</sup> The charge used to recover all of these costs is referred to as the Local Distribution Adjustment Factor (“LDAF”). Examples of recoverable expenses include the costs of energy efficiency programs and costs related to the federal restructuring of the gas industry. LDCs can also recover costs associated with federal and state mandated cleanups of past contamination at sites polluted by wastes from gas manufacturing plants. Although most gas manufacturing plants in Massachusetts ceased operations by the early 1950s, their wastes continue to present environmental hazards. The Gas Division reviews all company requests for adjustments via the LDAF to ensure accounting accuracy and prudent company practices. During 2006, the Gas Division reviewed 20 LDAF requests.

## **Review of Energy Efficiency Plans**

Since 1992, the Department has required LDCs to develop energy efficiency plans that bring cost savings to consumers and reduce the overall need for gas. The companies’ plans typically include weatherization service programs (offering energy audits, attic insulation, wall insulation, air sealing, and heating system repairs) and rebates for the installation of clock thermostats or for the replacement of boilers, furnaces, and water heaters with high-efficiency units. Gas companies must submit energy efficiency plans to the Division, which reviews the proposed programs to ensure cost effectiveness. The companies can then recover energy efficiency-related costs via the LDAF. In 2006, the Division reviewed two energy efficiency plans.

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<sup>3</sup> Base rates are designed to recover distribution-related costs (i.e., the costs to operate the LDC), including plant and equipment, labor, taxes, interest on borrowed funds, return on investment, billing, metering, and customer service.

## **Cooperation with the Rates and Revenue Requirements Division**

The Gas Division works closely with the Rates and Revenue Requirements Division to review various rate case filings and merger and acquisition petitions. In traditional rate cases, Gas Division staff is responsible for reviewing the terms and conditions of distribution service, the allocation of local production and storage costs, weather normalization, gas-related cash working capital, marginal costs, and the treatment of revenues from off-tariff contracts. As the gas industry makes the transition to a competitive supply environment, the Department will continue to require gas companies to provide least cost distribution service, but this requirement will be implemented through performance-based regulation ("PBR"). PBR refers to the use of incentives and price caps as a means of setting utility rates – in contrast to traditional rate-of-return rate making, which is based on a company's cost of service. An important feature of PBR is a service quality program, which ensures that companies will not compromise service through insufficient expenditures on customer service activities. In 2006, the Gas Division participated in the Department's review of Bay State Gas Company's rate case filing.

## **Review of Service Quality Filings**

The Gas Division is responsible for the review of all gas service quality plans to ensure that the companies maintain a minimum quality of service. In June 2001, the Department issued an order setting service quality standards for all gas and electric distribution companies. The order established performance measures for customer service, billing, customer satisfaction, staffing levels, safety, and reliability. Pursuant to this order, the LDCs filed company specific service quality plans for Department review, which the Department approved in the Spring of 2002. Each gas company filed a service quality report in March 2006 (and must do so every March), comparing its actual performance against the service quality standards established by the Department. During 2006, the Division reviewed ten service quality plans.

## **Licensing of Gas Suppliers and Retail Agents**

Massachusetts customers may choose a gas supplier other than the LDC serving the customer's neighborhood. This allows customers to comparison shop and negotiate for the best value in gas commodity from competitive suppliers. However, the price charged by these competitive suppliers for natural gas is not regulated. Instead, competitive gas suppliers set their own prices, just like the sellers of most goods and services in the marketplace.

Gas suppliers and retail agents wishing to sell natural gas to Massachusetts retail customers must be certified by the Department on an annual basis. The Gas Division reviews the applications for these licenses and conducts interviews with the applicants. Staff determines whether the applicants have the technical ability to

procure and deliver natural gas, and whether they are familiar with the Department's rules and the gas industry in general. The Division also evaluates documentation of the applicant's financial capability, such as the level of capitalization or corporate backing, to provide the proposed services. In 2006, the Department reviewed 26 applications and approved 11 gas suppliers and 15 retail agents. Currently there are 13 gas suppliers and 20 retail agents in the Commonwealth.

### **Participation in Federal Policy-Making**

Over the past decade, actions taken by FERC, the federal Department of Energy, and Congress have dramatically changed federal regulation of the natural gas industry. These changes directly affect the interests of Massachusetts customers who are served by federally regulated pipelines and liquefied natural gas ("LNG") import terminals. Division staff works with other state agencies and regional organizations to stay informed regarding current federal statutory and regulatory proposals, and to develop public positions on issues that may affect Commonwealth interests.

### **Public Information and Review of Consumer Complaints**

Gas Division staff provides information and assistance on a daily basis to consumers, government officials, marketers, regulated companies, consultants and financial analysts. In addition, Gas Division staff assists the Department's Consumer Division in addressing gas-related consumer issues.

### **Competitive Gas Supply and Unbundling Initiatives**

In the mid-1980s, FERC began to introduce more competition into the wholesale gas industry by allowing the customers of interstate gas pipelines, primarily LDCs and some large industrial consumers, to procure their gas supplies separately from the pipeline services that transport the gas. Previously, the pipeline companies "bundled" the price of the gas commodity and the transportation services together into one rate. To enable gas customers to buy gas from competing suppliers, FERC required all interstate pipelines to "unbundle" gas transportation from gas sales, and to offer the transportation component at a separate rate.

In Massachusetts, the Department determined that if the benefits of FERC's actions were to fully accrue to Massachusetts gas consumers, these consumers must similarly have the opportunity to purchase gas from sources other than an LDC. As a first step, the Department directed all Massachusetts LDCs to file gas transportation rates for their large customers. Beginning in 1988, large gas customers in the Commonwealth began to purchase gas from suppliers other than LDCs. Since the early 1990s, the Department has been active in implementing new policies so that the benefits of the competition created by FERC could reach additional LDC customers. As a result, all LDCs in Massachusetts offered unbundled rates, allowing most of their



commercial and industrial customers to choose their own gas supplier at competitive commodity rates.

Moreover, the Department determined that the benefits of competition should be extended to all customers, including residential customers. The Department's ultimate objective throughout its unbundling efforts has been to provide the opportunity for the residential and smaller commercial and industrial users of natural gas to benefit from lower commodity prices while maintaining the traditional consumer protections that have been the hallmark of Department regulation. The separation of the sale of the gas commodity is necessary to provide customers with accurate price signals and the ability to choose and purchase gas supplies separately from distribution services. Since November of 2000, with the approval of the unbundling regulations and terms and conditions for gas transportation service, residential customers are able to choose their own gas supplier. This change allows customers to comparison shop and negotiate for the best value in gas commodity from competitive suppliers.

## **2006 Gas Division Accomplishments**

During 2006, the Gas Division reviewed:

- Four forecast and supply plan filings.
- Nine long-term gas supply contracts.
- 25 non-tariff contracts for the sale and transportation of natural gas (firm service, quasi-firm service).
- 45 gas-cost-recovery filings pursuant to the CGAC.
- 20 cost recovery filings pursuant to the LDAC.
- Two energy efficiency filings, as well as ten residential energy conservation service program filings.
- Ten service quality plans.
- 26 applications for the licensing of gas suppliers and gas retail agents.

## **Rates and Revenue Requirements Division**

### **Overview**

The Rates and Revenue Requirements Division ("Rates Division") is responsible for providing the technical expertise the Department needs to determine the appropriate levels of revenues, rates and charges for the seven investor-owned electric companies, nine investor-owned gas companies and twenty investor-owned water companies in the Commonwealth. The technical support provided by the Rates Division includes expertise in economics, finance, accounting, and public policy.

The Rates Division staff assists the Department's Legal Division in developing the evidentiary record in adjudicatory proceedings concerning the rates and finances of the investor-owned natural gas, electric, and water companies doing business in Massachusetts. The Department's decisions in these proceedings are directly appealable to the Supreme Judicial Court under G.L. c. 25, § 5.

The regulation of the natural gas, electric, and water industries requires the Rates Division to:

- Review electric utility restructuring related filings including: reconciliation of standard offer service, basic/default service, transmission, and transition costs and revenues; basic/default service procurement and billing; securitization; and divestiture of generation assets and power contracts;
- Review requests to change base rates through either cost-of-service regulation or PBR;
- Review financing requests;
- Review service quality plans;
- Review mergers and acquisitions;
- Coordinate the assessment of electric and gas utilities;
- Review retail electric contracts;
- Review municipal streetlight purchase disputes;
- Provide information and assistance to the public, government agencies, press, industry, and other government officials.

## **Division Responsibilities**

### **Review of Electric Utility Restructuring-Related Filings**

As part of the continued implementation of the Electric Restructuring Act, the Department annually conducts a reconciliation, or “true-up,” for each electric company. Under the Electric Restructuring Act, each electric distribution company may collect stranded or transition costs, which cannot be mitigated, through a transition charge. In a true-up, the Rates Division evaluates the costs and revenues that each electric distribution company proposes to reconcile through the transition charge. The Rates Division's analysis results in an Order that may require adjustments to the calculation of a company's transition charge in the following year. These adjustments are based on the Department's determination that a company has either over-collected or under-collected its transition charge expenses.

In a true-up, the Rates Division also reviews each of the electric distribution companies' costs and rates for providing basic/default service, and transmission service. The distribution companies are allowed dollar-for-dollar recovery for providing such services. The Rates Division must ensure that these rate changes comply with the rate reduction requirements of the Electric Restructuring Act.

Pursuant to the Electric Restructuring Act, the Rates Division also reviews the pricing and procurement of basic (formerly called “default”) service load by the electric distribution companies, and ensures they are in compliance with the Department's directives. In addition, the Rates Division reviews proposals from the electric companies to securitize assets in order to obtain lower financing costs, divest generation assets and purchased power contracts to mitigate stranded costs, and resolve streetlight purchase disputes. In each of these cases, the Rates Division must ensure that the outcome conforms with the intent of the Electric Restructuring Act and each company's restructuring plan.

### **Review of Requests To Change Base Rates**

The Rates Division follows general Department practices in reviewing rate cases which include: reviewing initial filings; participating in informal technical conferences; issuing information requests; drafting pre-hearing memoranda for the Commission; cross-examining company and intervenor witnesses during hearings; developing and discussing with the Commission various options for resolution of issues; and preparing draft Orders for Commission review.

Changes to base rates are based on either traditional cost-of-service regulation or Performance Based Rates (“PBR”). Establishing rates under PBR typically requires a determination of cost-of-service rates (using traditional cost-of-service regulation), industry productivity factors, inflation factors, and service quality measures. In 2006, the Rates

Division was responsible for ensuring that the PBR compliance filings from Bay State Gas Company, Blackstone Gas Company, The Berkshire Gas Company, Boston Gas Company d/b/a Keyspan Energy Delivery New England, Massachusetts Electric Company and Nantucket Electric Company were in compliance with directives included in each of the companies' last base rate proceedings. Further, staff reviewed distribution rate settlement filings for Western Massachusetts Electric Company and Fitchburg Gas and Electric Light Company (gas division).

For water companies, the traditional review of rate cases through adjudicatory proceedings is not always cost-effective because the administrative costs of preparing and litigating a rate case for a small water company can equal or exceed the rate relief sought. To streamline the regulatory process, the Department has created a settlement intervention staff ("SIS") that independently reviews rate requests and conducts off-the-record negotiations with water company officials and intervenors. The SIS has no direct communication with the Commission regarding pending cases. SIS and the other parties on the case may submit a proposed rate settlement to the Commission. An adjudicatory team comprised of Rates Division and Legal Division staff review the settlement and make recommendations to the Commission. The Commission may either approve the settlement, return it to the settling parties with suggested modifications, or reject it with or without subsequent evidentiary hearings. To date, this process has saved the Department, water companies, and ratepayers considerable amounts of time, resources, and expenses.

The Department's regulatory authority over investor-owned water systems is in certain areas concurrent with that of the Massachusetts Department of Environmental Protection ("MDEP"). In situations where cross-over issues are involved, such as in water conservation and adequacy of service, Rates Division staff work with staff at the MDEP to ensure that the provisions of the agencies' respective duties are implemented in a harmonious manner.

### **Review of Requests to Change Reconciling Rates**

In addition to reviewing base rates, the Rates Division is responsible for reviewing proposed changes to a company's rate components that are fully reconciling (i.e., where dollar-for-dollar recovery is intended). These include the pension and post-retirement benefit adjustment factors for Bay State Gas Company, Boston Gas Company, the NSTAR gas and electric companies, and Fitchburg Gas and Electric Light Company. The annual cable surcharge for Nantucket Electric Company is also a reconciling rate mechanism that is reviewed by the Rates Division.

### **Review of Financing Requests**

The Rates Division also is responsible for the review of financing cases. Financing cases relate to company proposals for the issuance of debt or equity securities, as well as investment of funds or guaranteeing the indebtedness of other

companies. The primary focus in such cases is to carry out statutory mandates that require utilities to issue only those securities reasonably necessary for utility operations and to have sufficient net plant (i.e., undepreciated assets in rate base) to ensure sound securities.

### **Review of Service Quality Plans**

In 2001, the Department established service quality standards for all electric and gas utilities. Service Quality, D.T.E. 99-84. The Rates Division assists the Electric Power and Natural Gas Divisions in the annual review of the compliance filings of the electric and gas companies to determine whether the electric and gas companies have met the service quality standards and, if not, the appropriate penalties to be assessed. In 2006, the Department issued revised service quality standards originally established in D.T.E. 99-84. Investigation into Service Quality Guidelines, D.T.E. 04-116.

### **Review of Mergers and Acquisitions**

Pursuant to G.L. c. 164, § 96, the Rates Division reviews all merger and acquisition proposals that are filed with the Department to determine if they are in the best interest of ratepayers. The Rates Division analyzes: the proposal's effect on rates, service quality, net savings, and competition; the financial integrity of the post merger entity; the fairness in the distribution of resulting benefits between shareholders and ratepayers; and societal effects such as job loss and economic development. The Rates Division also analyzes alternatives to the merger, as well as any accompanying rate plans. In 2006, the Rates Division reviewed the merger plan filed by NSTAR Electric Company.

### **Coordination of Annual Assessments**

Pursuant to G.L. c. 25, § 18, electric, gas and telecommunications companies that do business in Massachusetts are subject to an annual assessment on a percentage of their intrastate revenues. The Rates Division is responsible for gathering the revenue figures for the electric and gas utilities.

### **Review of Retail Electric Contracts**

The Rates Division is responsible for the mandatory review of negotiated electric contracts between electric distribution companies and retail customers. Such contracts are evaluated to ensure consistency with Department standards. The onset of competition in the electric utility industry has reduced the need for electric contracts in recent years.

## **Review of Utility Accounting Matters**

Utility companies are required to maintain their books in accordance with Department regulation. To maintain uniformity of accounting, utilities are required to submit questions concerning the appropriate interpretation of the Department's accounting regulations to the Department. During 2006, Rates Division staff received and responded to a number of accounting questions from utilities, primarily from municipally operated systems and water companies. The Rates Division also reviews requests involving accounting practices, including requests by companies to defer expenses on their books for later review in a rate proceeding.

## **Review of Municipal Depreciation Requests**

Pursuant to G.L. c. 164, § 57, municipal utilities are permitted to include in their rates an annual provision for depreciation expense equal to three percent of depreciable plant (plant less land and land rights), unless otherwise permitted by the Department. Because municipal utilities rely on depreciation funds as a source of funds for plant improvements and expansions without resorting to outside financing, municipal utilities may seek permission to increase their depreciation rate for a particular year. During 2006, the Rates Division evaluated and approved fourteen requests for increases in municipal depreciation rates.

## **Review of Consumer Complaints**

The Rates Division provides assistance to the Department's Consumer Division in the review of rate and billing disputes by residential customers. In addition, because billing disputes by commercial and industrial customers are not generally handled by the Consumer Division, the Rates Division has, at times, provided informal assistance in resolving these billing disputes, primarily through review and interpretation of the applicable tariffs.

## **Public Information**

Another important responsibility of the Rates Division is to provide timely and accurate information to the public regarding activities in the electric, gas, and water industries. This task requires working with other regulatory agencies, consumer groups, public interest groups, power suppliers, and utility companies to help them understand Department regulations and policies. The Rates Division also assists in the development of agency regulations to address the changing circumstances in the utility industry such as electric industry restructuring, gas unbundling, and new financial accounting standards. The Rates Division also works with the Department's Consumer Division to respond to consumer complaints and to draft policy recommendations regarding consumer issues.

## **Precedent, Policies, and Practice**

When a company does not have a PBR, the Department sets rates using cost-of-service pricing principles where electric, gas and water rates are based upon the cost to serve various classes of ratepayers. Under cost-of-service pricing, the Rates Division reviews the costs incurred by utility companies to determine the reasonableness of such costs and to determine whether they were prudently incurred. The categories of costs include company annual expenses, capital investments, and rates of return for shareholders (*i.e.*, the return on equity). Appropriate annual expenses plus a return on undepreciated rate base (*i.e.*, a return on net capital investment) make up the company's "cost of service" or the "revenue requirement" upon which rate structures must be based.

Once the company's cost of service has been determined, a rate structure must be established that affords the company a reasonable opportunity to earn its allowed rate of return while meeting other policy goals. Rate structure is the level and pattern of prices that customers are charged for the use of utility services. A customer class rate structure is a function of the cost of serving that rate class and the design of rates calculated to cover that cost. The Department's policy goals for utility rate structure are economic efficiency, continuity, fairness, earnings stability, and simplicity.

In many cases, however, attaining all of the above-mentioned goals simultaneously is impracticable within a single rate proceeding because some goals can be achieved only to the detriment of other goals. For example, the immediate implementation of cost-based rates where each customer class pays its fair apportionment of the costs incurred to serve them could cause the rates of certain classes to increase substantially, violating the goal of rate continuity or the goal of having rate changes occur in a gradual fashion to avoid rate shock.

## **2006 Rates Division Accomplishments**

The Rates Division actively participated in the following major dockets in calendar year 2006:

- NSTAR Electric Company, D.T.E. 06-40 (2006)

As a continuation of the NSTAR Electric rate settlement, which was approved by the Department in December 2005, the Company filed a petition to merge Boston Edison Company, Cambridge Electric Light Company and Commonwealth Electric Company into one electric distribution company, NSTAR Electric.

- Bay State Gas Company, D.T.E. 06-31

This proceeding is an investigation into the staffing levels at Bay State Gas Company stemming from the issues of service quality and outsourcing that was raised during the Company's recent rate case proceeding, D.T.E. 05-27 (2005).

- Plymouth Water Company, D.T.E. 06-53

The company applied for a general rate increase of \$378,964 (a 121.6% increase). In addition, the company seeks to change to a decreasing block rate structure. At the close of 2006, document production, within the context of an adjudicatory proceeding, was underway.

- Whitinsville Water Company, D.T.E. 06-64

The company applied for a change to a flat rate structure and a general rate increase of \$ 490,575 (a 33.69% increase). At the close of 2006, settlement negotiations were ongoing.

- Wireless Attachments in the Central Artery Tunnel, D.T.E. 06-70 (2006)  
Rates Division staff worked with staff from the Telecommunications Division in its investigation of wireless connections in the Central Artery Tunnels. Chapter 123 of the Acts of 2006, § 115 gave the Department the authority to establish the maximum rate for attachments for a wireless system that is to be built in several of the Central Artery Tunnels. The Department approved a settlement concerning the appropriate rate on December 21, 2006.

- Low-Income Discount Participation Rate, D.T.E. 01-106-C/05-55 /05-56

In 2006, the Rates Division continued to monitor and review the reconciliation mechanism (the residential assistance adjustment factor ("RAAF")) that was set up to allow utilities to recover any revenue shortfall associated with the low-income discount rate computer matching program until they filed their next base rate case, at which time the discounts provided to all low-income customers would be reflected in the RAAF.

- Utility Arrearage Management Programs, D.T.E. 05-86

Chapter 140 of the Acts of 2005 directed electric and gas utilities to develop and administer arrearage management programs, and directed the Department to oversee the programs. The Rates Division reviewed these programs and continues to work with the utilities to ensure compliance with Chapter 140.



- Service Quality Guidelines, D.T.E. 04-116

In 2006, the Department issued revised service quality standards originally established in D.T.E. 99-84. Investigation into Service Quality Guidelines, D.T.E. 04-116. The revised standards addressed issues including for utility performance in the areas of safety, reliability, and customer service.

- Western Massachusetts Electric Company , D.T.E. 06-55

On December 29, 2006, the Department approved a rate settlement providing for a \$1.0 million increase in the company's distribution rates effective January 1, 2007 and an additional increase of \$3.0 million effective January 1, 2008. The settlement is in lieu of general rate case that would have sought a distribution rate increase of approximately \$27 million.

- Fitchburg Gas and Electric Company , D.T.E. 06-109

During 2006, Department staff began reviewing a settlement agreement between the company and the Attorney General of the Commonwealth for a base rate increase pursuant to G.L. c. 164, § 94. The settlement provides for a \$1.2 million dollar increase on an annual basis to the distribution component of the company's gas rates effective February 1, 2007, and a further \$1.0 million increase on November 1, 2007. These increases are in lieu of a company filing a general rate case seeking a distribution rate increase of approximately \$3.961 million. The Commission's decision is anticipated in early 2007.

The Rates Division undertook review of the following financing cases:

- Milford Water Company, D.T.E. 05-97 (2006)  
(Issuance of \$1,000,000 in long-term debt)
- Southern Union Company, D.T.E. 06-71 (2006)  
(Issuance of up to \$600,000,000 in long-term debt, plus the issuance of 2,000,000 shares of common stock)
- Southern Union Company, D.T.E. 06-100 (2006)  
(Issuance of up to \$300,000,000 in long-term debt)
- Western Massachusetts Electric Company, D.T.E. 06-86  
(Issuance of up to \$60,000,000 in long-term debt)

## **Energy Facilities Siting Board and Department Siting Division**

### **Overview**

The Energy Facilities Siting Board (“Siting Board”) is a nine-member review board charged with ensuring “a reliable energy supply for the Commonwealth with a minimum impact on the environment at the lowest possible cost.” The Siting Board’s primary function is to license the construction of major energy infrastructure in Massachusetts, including large power plants, electric transmission lines, natural gas pipelines and natural gas storage facilities. The Siting Board also has the authority to remove regulatory obstacles to the construction of energy infrastructure by issuing, or altering the terms of, other state and local permits.

Administratively, the Siting Board is located within the Department, but is not subject to Department supervision or control. The Board is comprised of three commissioners of the Department, in addition to the Secretary of Environmental Affairs, the Secretary of Economic Development, the Commissioner of DOER, and three public members who are appointed to three-year terms by the Governor.

The Siting Board is staffed by members of the Department’s Siting Division. Siting Division responsibilities to the Siting Board and to the Department require its staff to:

- Adjudicate petitions to site and construct major energy infrastructure
- Represent the Commonwealth in proceedings before FERC with respect to energy facilities to be sited in Massachusetts
- Adjudicate petitions by public service corporations for exemptions from local zoning requirements
- Adjudicate petitions by utility companies for eminent domain and for land survey access
- Adjudicate petitions for override of state and local permits, licenses, or other requirements
- Adjudicate petitions by electric companies for approval to construct transmission lines
- Enforce decisions of the Siting Board through the issuance of orders and civil penalties

A list of Siting Board decisions, Department Siting Division orders and Siting Board federal agency filings is attached as Appendix 1.

## **Siting Board Responsibilities**

### **Energy Facility Review**

The Siting Board reviews petitions to construct major new energy infrastructure, including power plants, electric transmission lines, natural gas pipelines and natural gas storage facilities. G.L. c. 164, § 69G-S. Siting Board review is conducted by means of a formal adjudicatory proceeding in accordance with G.L. c. 30A. Final decisions of the Siting Board are appealable directly to the Massachusetts Supreme Judicial Court.

The Siting Board's review of most types of energy infrastructure encompasses the need for the facility, alternative means of meeting that need, alternative sites, and environmental impacts and cost; however, due in part to the 1997 Electric Restructuring Act, the Board's review of power plants generally is limited to potential environmental impacts. The Siting Board's environmental review covers a broad range of issues, including potential impacts on air quality, land use, water resources, health, and cost. The Siting Board's environmental review also examines measures that may be taken to mitigate environmental impacts. Siting Board decisions typically represent a balancing of local and regional environmental impacts and the benefits of the project in terms of contributing to a reliable energy supply.

Between 1996 and 2001, the Siting Board reviewed and approved thirteen new power plants and power plant expansions in Massachusetts. Of these, eight have been completed and are in operation. Each plant has been required to mitigate its environmental impacts, to the extent that it was shown cost-effective to do so.

From 2001 through late 2006, the Siting Board's caseload shifted from reviews of new power plant proposals to reviews of proposals for supporting infrastructure, such as the gas pipelines and electric transmission lines largely designed to support the new power plants and the regional transmission grid. In late 2006, however, the Siting Board's caseload began to shift back to the review of new power plant proposals with the filing of Chelsea Energy, LLC's petition to construct a proposed 250 MW peaking facility in Chelsea using ultra-low sulfur distillate fuel.

In 2006, the Siting Board approved the petition of The Berkshire Gas Company to construct a 3.6 mile natural gas distribution pipeline in Northampton and Hatfield to accommodate the anticipated incremental demand in connection with a new heating plant at the University of Massachusetts at Amherst. The Berkshire Gas Company, EFSB 05-1 (January 13, 2006). Construction of the pipeline is now complete.

The Siting Board also approved the petition of Colonial Gas Company, d/b/a KeySpan Energy Delivery New England to construct three new non-contiguous segments of natural gas distribution pipeline, approximately 13.1 miles in combined length, in the Towns of Sandwich Barnstable, Yarmouth, Dennis, and Harwich to augment the Company's existing Sagamore Line, a 42-mile distribution line. Colonial

Gas Company, d/b/a/ Keyspan Energy Delivery New England, EFSB 05-2 (May 17, 2006). In late 2006, the Company filed a petition with the Siting Board to override a decision of the Cape Cod Commission denying approval of the project. The matter is pending before the Siting Board.

In September, 2006, the Siting Board approved a project change requested by Fore River Development, LLC regarding its 775 MW generating facility in Weymouth, originally approved by the Siting Board in February, 2000. The Siting Board approved Fore River Development's request to implement an Alternative Fuel Plan which would increase the previously imposed thirty day limit that the Company could burn oil at the facility. Under the Alternative Fuel Plan, the facility would use ultra-low sulfur diesel oil as a back-up fuel instead of low sulfur diesel oil, and there would be no explicit limit on the number of hours of oil-firing so long as the existing maximum levels in the Massachusetts Department of Environmental Protection air permit are met. Fore River Development, LLC, EFSB 98-7C (September 18, 2006).

In 2006, the Supreme Judicial Court upheld the Siting Board's decision in Cape Wind Associates, LLC and Commonwealth Electric Company, d/b/a NSTAR Electric, EFSB 02-2 (May 11, 2005) ("Cape Wind"). The Siting Board's decision approved the construction by Cape Wind Associates, LLC and Commonwealth Electric/NSTAR Electric of an 18.1-mile transmission line to interconnect a proposed off-shore wind generating facility in Nantucket Sound with the regional electric grid. If constructed, the wind generating facility will be the first off-shore wind facility in the United States. In addition to approving the transmission line, the Siting Board in Cape Wind revised the Board's standard of review for determining the need for transmission lines intended to interconnect new or expanded non-jurisdictional generation, to render the standard of review more consistent with the Siting Board's mandate as set forth in the 1997 Electric Restructuring Act.

The Siting Board has received a request for an advisory ruling pertaining to the jurisdiction of a proposed generating facility in Lowell. As proposed, the Company would operate the facility with a control mechanism (called a "governor") designed to limit the facility's output to 99 MW. Absent the control mechanism, the facility output under certain circumstances would exceed 100 MW. This matter is currently pending.

### **Federal Licensing Proceedings**

The Siting Board represents the Commonwealth in proceedings before federal agencies such as FERC with respect to the construction of energy facilities in Massachusetts. 980 C.M.R. § 7.07(9). A major focus of Siting Board work in 2006 has been the review of proposed liquified natural gas ("LNG") facilities.

In 2006, the Siting Board participated in the FERC review of the proposed Weaver's Cove project, an LNG facility which would be located in the City of Fall River. The Siting Board was an intervenor in the FERC proceeding and, together with the City

of Fall River and the Attorneys General of Massachusetts and Rhode Island, has appealed FERC's July, 2005 approval of the facility and the denial of a rehearing at FERC to the United States Court of Appeals for the First Circuit. The parties to the appeal have filed briefs and await the scheduling of oral argument in the matter. The pleadings the Siting Board filed in Court allege, among other things, that in making its decision to approve construction of the facility, FERC did not evaluate all factors affecting whether the facility would be in the public interest. The pleadings also allege that the facility would be constructed in close proximity to residential neighborhoods, and that FERC did not conduct an adequate review of alternatives to the project. This is the first instance in which the Siting Board has participated in filing suit in the US Court of Appeals.

The Siting Board also participated in the review of two off-shore LNG facilities proposed for Massachusetts Bay: the Northeast Gateway Energy Bridge, LLC's deepwater port LNG facility and its associated Algonquin Gas Transmission pipeline, for which FERC and the U.S. Coast Guard are the lead reviewing agencies; and the Neptune LNG LLC facility, for which the Coast Guard is the lead agency. In 2006, the lead reviewing agencies issued approval of both projects.

### **Permit Override Authority**

Through the granting of a Certificate of Environmental Impact and Public Interest, the Siting Board has the authority to override a state or local ordinance, permit requirement, license, or other "burdensome condition or limitation" that would unduly delay or prevent construction of an energy facility approved by the Board. G.L. c. 164, §§ 69K-69O½. A facility developer may also apply for a Certificate if it believes there are inconsistencies among resource use permits issued by state or local agencies.

In 1999, the Siting Board exercised its certificate-issuing authority for the first time. In an October 2002 decision, the Supreme Judicial Court upheld the Siting Board's action. As stated above in the description of ongoing energy facilities review, the Siting Board has received a petition from Colonial Gas Company, d/b/a Keyspan Energy Delivery New England to override a decision of the Cape Cod Commission denying approval of the Company's augmentation of the Company's Cape Cod natural gas distribution line.

### **Enforcement**

The Siting Board is authorized to levy a civil penalty when an applicant has violated any order of the Board. G.L. c. 164, § 69H. The maximum fine is \$1,000 per day per violation, with a maximum civil penalty of \$200,000 for any related series of violations. The Siting Board did not levy any civil penalties in 2006.

## **Siting Division Responsibilities**

The Siting Division, comprised of attorneys and technical analysts, performs the staff work for the Siting Board under its statutory mandates. In addition, the Siting Division handles a variety of land use cases for the Department, including petitions for zoning exemptions, for authority to exercise eminent domain, and for permission to construct transmission lines.

### **Zoning Exemptions**

State law authorizes the Department to exempt public service corporations from compliance with specific municipal zoning ordinances or by-laws if it determines that the present or proposed use of the land or structure is reasonably necessary for the convenience or welfare of the public. G.L. c. 40A, § 3. The Siting Division adjudicates many of these cases for the Department.

During 2006, the Siting Division began zoning exemption proceedings concerning two separate types of renewable energy projects; a 50 MW biomass facility and a 3.2 MW on-land wind facility. The biomass facility resulted in over 35 petitions to intervene. Both of these cases are ongoing.

### **Transmission Line Approval**

G.L. c. 164, § 72 ("Section 72") requires electric companies to obtain Department approval prior to the construction or alteration of transmission lines. To receive such approval, the electric company must show that the proposed project is needed and that it serves "the public convenience and is consistent with the public interest." The Siting Division typically adjudicates these petitions on behalf of the Department.

In 2004, the Department issued a Notice of Inquiry Order regarding the advisability and feasibility of developing Section 72 applicability guidelines, and the Commission has assigned responsibility for conducting this investigation to the Siting Division. The Siting Board staff issued a draft guidance document to the Commission in 2006. Commission action on this document is pending.

### **Eminent Domain and Survey Access**

On behalf of the Department, the Siting Division adjudicates petitions by electric, natural gas, and water companies for the right to exercise the power of eminent domain to meet their public service obligations. G.L. c. 164, §§ 72, 72A. To grant eminent domain, the Department must determine that the property is necessary for the purpose alleged, will serve the public convenience, and is consistent with the public interest.

The Siting Division also administers the Department's authority to grant electric, natural gas, and water companies permission to enter private lands for the purpose of making a survey prior to eminent domain proceedings. In 2006, the Siting Division completed its review to allow Tennessee Gas Pipeline Company the authority to conduct surveys for a proposed gas pipeline in Saugus. Tennessee Gas Pipeline Company, D.T.E. 05-83 ( March 29, 2006).

## **Siting Division Policies**

### **Responses to 1997 Restructuring Act**

The 1997 Electric Restructuring Act amended the Siting Board's review of proposed generating facilities by reducing its scope to include "only the environmental impacts of generating facilities, consistent with the commonwealth's policy of allowing market forces to determine the need for and cost of such facilities." This change explicitly eliminated from the Board's review two issues it had previously considered when evaluating generating facilities: the need for the facility and alternative sites. In addition, if developers could demonstrate that the emissions from their proposed facilities would be low enough, the Act exempted the facilities from a review of alternative (i.e., less polluting) technologies.

In response to the Restructuring Act, the Siting Board developed a technology performance standard for air emissions from generating facilities; revised its standards of review for generating facilities; conducted an inquiry concerning the Siting Board's review of generating facility viability; and, in the Cape Wind proceeding, revised the Siting Board's standard of review for determining the need for a proposed transmission line intended to interconnect a new or expanded non-jurisdictional generating facility to the electric grid.

### **Carbon Dioxide Policy**

Since 1991, the Siting Board has required developers of new generating facilities to mitigate the emission of carbon dioxide (CO<sub>2</sub>) from their plants. Currently, the Siting Board requires developers to contribute \$1.50 per ton for one percent of a plant's CO<sub>2</sub> emissions to cost-effective CO<sub>2</sub> mitigation programs to be selected through consultation between the developer and Siting Board staff. This approach is intended to promote a broad range of mitigation activities, such as landfill gas recovery or energy efficiency, in addition to tree-planting. Developers may also make their contributions to the Climate Trust, a national organization that funds projects that reduce greenhouse gas emissions. As of the end of 2006, the Siting Board has approved CO<sub>2</sub> mitigation programs with a total value of nearly \$2 million.

## **Pipeline Engineering and Safety Division**

### **Overview**

The Pipeline Engineering and Safety Division (“Pipeline Safety Division” or “Division”) is responsible for technical and safety oversight of seven natural gas companies and four municipal gas departments in Massachusetts. As a certified agent of the U.S. Department of Transportation (“US DOT”), the Pipeline Safety Division enforces federal regulations pertaining to natural gas distribution pipelines within the Commonwealth. The Pipeline Safety Division also enforces the Department’s own comprehensive gas safety regulations and the state’s “Dig Safe” law, a statute requiring companies and individuals performing excavation work to notify the Dig Safe program in order to ensure safe excavation work.

The Pipeline Safety Division’s authority over technical and safety issues requires it to:

- Inspect gas facilities for compliance with federal and state design, construction, operating, maintenance, emergency and plant security regulations; and enforce such regulations;
- Investigate and determine the cause of gas-related accidents and make recommendations to minimize recurrences;
- Develop regulations applicable to the gas industry to enhance public safety;
- Enforce the Dig Safe Law by investigating alleged violations and assessing fines;
- Inspect and test gas meters for accuracy and safety before the meters are installed at consumers’ premises;
- Resolve consumer complaints regarding the accuracy of gas and electric meters by field tests; and
- Ensure that utility operators restore the streets and roads after excavating in the public way.

### **Pipeline Safety Division Responsibilities**

Natural gas and propane are considered hazardous fuels by both the state and the federal government. Massachusetts has 19,000 miles of gas mains, 20 LNG plants, and 24 propane plants. These facilities serve over 1.4 million customers.



To protect consumers and the general public from the potential hazards involved in the transmission, distribution, production, storage and use of natural gas and propane, both the US DOT and the Department regulate these facilities. In addition to enforcing the Department's regulations, the Pipeline Safety Division acts as an agent for the US DOT in the enforcement of federal regulations. The Pipeline Safety Division inspects natural gas distribution pipeline facilities within the Commonwealth, investigates incidents, and imposes remedial actions (including civil penalties) when a natural gas operator is found to be negligent.

### **Gas Facility Inspections**

The Pipeline Safety Division's engineers inspect gas facilities (pipelines, meter stations, regulator stations, dispatch centers, LNG plants, and propane-air plants) for compliance with federal and state safety regulations. If an apparent violation exists, a Notice of Probable Violation ("NOPV") or Warning Letter is issued to the alleged violator along with a Consent Order. The Consent Order includes action(s) to be taken by the alleged violator to correct the violation and a fine. The alleged violator may agree to the Consent Order, thereby settling the case, or may ask for an informal review conference with Pipeline Safety Division staff. A company found to be in violation may request an adjudicatory hearing before the Department if it disputes the informal review decision.

During 2006, the Pipeline Safety Division conducted 701 inspections and issued seven NOPVs. A total of \$340,000 in fines was levied and \$70,000 in fines were collected. These fines are deposited into the General Fund of the Commonwealth.<sup>4</sup>

### **Intrastate Transmission Pipelines**

There are 34.3 miles of intrastate gas transmission lines in Massachusetts. The increased use of natural gas to generate electricity has resulted in the construction of new intrastate pipelines to connect power plants directly to interstate gas transmission lines. As intrastate facilities, these pipelines fall under the aegis of the Pipeline Safety Division, whose engineers inspect their design, construction, operation, and maintenance. Some of these new lines are owned and operated by the power plant operator instead of the traditional gas distribution companies. Such pipelines typically operate at pressures significantly higher than local gas distribution pressures.

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<sup>4</sup> In 2003, the Legislature increased the civil penalty limits for violation of federal and state safety regulations to \$50,000 per violation for each day the violation persists, up to a maximum of \$1,000,000 for any related series of violations. St. 2003, c.140, §§ 38, 39, amending G.L. c. 164, § 105A. The US DOT has asked Massachusetts, as well all other states, to adopt the same civil penalty limits as the federal government. These limits are \$100,000 per violation for each day the violation persists, up to a maximum of \$1,000,000 for any related series of violations.

## **Investigation of Natural Gas Incidents**

When a gas-related incident occurs, such as a fire or explosion, the Pipeline Safety Division's engineers (1) investigate to determine its cause, (2) determine whether the pipeline operator was in violation of any safety regulations, and (3) make recommendations to the Commission for preventing or minimizing a recurrence. During 2006, the Pipeline Safety Division investigated two gas-related incidents and continued its investigation of three incidents that occurred in 2005

## **Homeland Security- Intrastate LNG Facilities**

Liquefied natural gas (LNG) plants provide an important part of the gas supply in Massachusetts. Especially in winter months, LNG plants provide as much as 20 percent of the daily gas supply used during peak demand times. Ensuring the safe and effective operation of these plants has always been a priority for the Pipeline Safety Division. After 9/11, the security of these plants became an even larger concern for the Division.

On the night of August 16, 2006, two intruders broke into KeySpan Energy Delivery's (KeySpan) LNG plant in Lynn. The intruders cut through two perimeter fences and a gate in order to gain access to the top of the LNG storage tank. The Division immediately launched an investigation into the incident. The Division Director and one engineer, both of whom have extensive experience in LNG safety regulation and operations, spent the next two days at the plant collecting evidence, reviewing record, and interviewing plant personnel and company officials. The Division directed KeySpan to take certain immediate corrective actions. At the close of the investigation, the Division issued a Notice of Probable Violation (NOPV) to KeySpan levying a \$250,000 civil penalty. The Division anticipates that the Company will respond to the NOPV in early 2007.

Simultaneous with the investigation of the Lynn incident, the Division began comprehensive security inspections of the 19 other plants in the state. Four engineers from the Division worked with the State Police's Fusion Center to inspect each of these plants and determine if there were any security problems. In less than a month, the Division was able to determine that all of the plants substantially complied with the federal and state regulations for LNG plant security.

The Division continues monitoring the security of the LNG plants. Monitoring includes on-site inspections, reviews of procedures and reviews of operating and maintenance records. In cooperation with the State Police Fusion Center, it is also studying ways that security might be improved through regulatory changes.

## **Dig Safe Law Enforcement**

Massachusetts' Dig Safe law requires any person who proposes to excavate in public or private land to pre-mark the excavation site and to notify the Dig Safe Center of his intent to excavate. The Dig Safe Center then contacts all operators of underground gas pipelines and electric, telecommunication and television cables in the excavation locale. These operators, in turn, must mark the locations of their facilities in advance of the excavation to minimize the risk of potential damage by the excavator. Lastly, the excavator must take adequate precautions to prevent damage to the facilities while digging.

Any person aware of possible violations of Dig Safe procedures may report them to the Pipeline Safety Division; utility operators are mandated by regulation to report possible Dig-Safe violations. The Pipeline Safety Division investigates the reports, issues NOPVs, conducts informal review conferences with the respondents and operators of the facilities, and performs field inspections, as necessary. The Pipeline Safety Division then issues findings and may assess a civil penalty. If the Pipeline Safety Division's decision is disputed, a Legal Division Hearing Officer will conduct a formal adjudicatory hearing. In 2006, the Pipeline Safety Division received 1,674 reports of possible Dig Safe violations. After investigating these reports, the Pipeline Safety Division issued 268 NOPVs and collected \$81,000 in fines.

## **Gas Meter Testing**

State law requires that each gas meter be tested by the Pipeline Safety Division for volumetric accuracy and for leakage once every seven years, or when the meter is removed from service. Gas companies or municipal gas departments ("operators") typically remove meters to be tested and replace them with previously approved meters. Operators then deliver meters to their meter shop where one of the Division's compliance officers tests them to ensure that they are not leaking and that the consumer is getting the correct amount of gas. The Division collected \$2,305,530 in meter testing fees in 2006.

## **Consumer Metering Complaints**

The Pipeline Safety Division assists the Department's Consumer Division in addressing complaints by customers pertaining to both gas and electric metering. In the case of an electric meter, the Pipeline Safety Division witnesses a test of the "complaint" meter in the field to determine its accuracy. For gas meters, the suspect meter is removed and tested at the operator's premises by a Division compliance officer.

## **Preservation of the Public Way**

In response to complaints from municipalities and industry about the lack of repairs made to public roads after utility work was completed, the Department promulgated street restoration standards in 1998. The regulations set standards for soil compaction, paving and other activities affecting road condition.

## **Partnership with Industry**

US DOT regulations require that gas utility operating personnel be qualified by training and experience. These qualifications must be demonstrated by testing and work history. The Pipeline Safety Division, together with the Northeast Gas Association (“NGA”) and industry representatives, worked to develop a model operator qualification (“OQ”) program. Most of the natural gas operators in Massachusetts and the rest of New England now use this program to comply with OQ rules. The Gas Technology Institute is developing a national program based on the training program.

In other areas of cooperation, the Pipeline Safety Division has worked with regulators in the other five New England states and NGA to develop qualification procedures for welders of steel pipelines and fusers of plastic pipeline. This effort resulted in uniform qualifications for welders and fusers throughout New England which allows operators to avoid expending resources for the re-qualification of an employee from another New England state. At the same time, pipeline safety regulators are assured that the personnel are qualified in these essential pipeline construction functions.

The Division also worked with utilities and the Dig Safe Center to conduct training sessions for excavators. The sessions provide excavators with information about underground utility lines and precautions to take when excavating near those lines. Programs such as Managing Underground Safety Training (“MUST”) are an important tool for preventing damage to underground pipelines and cables.

## **Precedent, Policies and Practice**

The Department is a national leader in gas pipeline safety. The Pipeline Engineering and Safety Division’s actions in response to violations of gas-related safety regulations have gained the recognition of US DOT and agencies in other states. With more LNG plants than any other state in the country, the Commonwealth’s LNG safety regulations are among the most stringent in the country.

Massachusetts is one of only a few states that has addressed the important issue of replacement or abandonment of aged cast-iron pipe. The Department’s regulations require pipeline operators to prioritize and replace segments of old cast-iron pipe in accordance with Department-developed criteria. In addition, companies must

replace or abandon such pipes, subject to specific criteria, when third-party excavation occurs nearby.

The Department has taken measures to address the potential safety hazards posed by unused service lines. The Department has updated existing regulations requiring the abandonment of unused lines. The regulations also specify more stringent gas leakage survey methods for operating lines.

## **2006 Pipeline Safety Division Accomplishments**

In 2006, the Pipeline Safety Division:

- Conducted 701 gas facility inspections, resulting in the issuance of 10 compliance actions for violations of pipeline safety regulations; collected \$70,000 in civil penalties from operators who violated the pipeline safety regulations.
- Conducted investigations of an explosion at a university dormitory, an explosion at a house in Weston, a fire at a construction site in Needham, an overpressurization and explosion in Lexington, and a security breach at an LNG plant in Lynn.
- Investigated 1,674 reports of Dig Safe violations; issued 268 Notices of Probable Violation for violations against the Dig-Safe Law; collected \$81,000 in civil penalties from Dig Safe violators.
- Tested about 230,500 gas meters, thereby collecting \$2,305,530 in meter testing fees.
- Participated in a Pipeline Safety Conference for First Responders, organized by the Massachusetts State Fire Marshal, the National Association of State Fire Marshals, and the U. S. Department of Transportation/Pipeline and Hazardous Materials Safety Administration. The conference was attended by fire chiefs from all over the state and representatives of the natural gas pipeline industry.

## **Transportation Division**

### **Overview**

The Transportation Division regulates the rates and practices of common carriers used to transport passengers and property, including trucks, railways, buses, household moving companies, towing companies and hazardous waste. In addition, the Transportation Division licenses all intra-state Massachusetts-based motor bus companies. The Transportation Division investigates and may hold fitness hearings after a consumer complaint, a driving violation, or an accident involving a common carrier. Undoubtedly, the most critical function of the Division is public safety. The other major responsibility of the Transportation Division is consumer protection.

Although no assessments are levied against regulated common carriers, these companies are subject to fees for services such as licensing, inspection, and examination. These revenues are not retained by the Department, but are deposited directly into the Commonwealth's General Fund. During 2006, the Transportation Division generated approximately \$3.1 million in revenues which was deposited into the General Fund.

### **Critical Public Safety Functions**

In accordance with the provisions of G.L. c. 90, § 8A and G.L. c. 159A, § 9, the Transportation Division issues both School Bus Driver Certificates and Motor Bus Driver Certificates. During 2006, the Transportation Division issued over 2,000 new school bus driver certificates. Ensuring a cadre of reliable school bus drivers is essential to children's safety. The Transportation Division licenses all school bus drivers in Massachusetts after (1) reviewing a physician's exam, (2) evaluating driving records, (3) performing a criminal record check and Sex Offender Registry Review, and (4) administering a three-part driving test. The Transportation Division works with the Registry of Motor Vehicles and the industry to set standards for school bus driver and other commercial driver training and qualifications.

### **School Bus Driver Certificates and Motor Bus Driver Certificates issued in 2006**

School Bus Driver Certificates:	12, 311
(new and renewals)	
Motor Bus Driver Certificates:	1,053

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Total Certificates Issued:	13,364
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## **On-Site School Bus Driver Compliance Reviews**

In cooperation with the State Police, Transportation Division staff performs periodic, random compliance reviews of school bus drivers. The reviews are conducted on-site, at schools and are arranged so as not to interfere with the school day. Division staff reviews the driver's license and certification while a state police officer conducts a safety inspection of the school bus.

During calendar year 2006, one statewide compliance review was performed in October:

Companies	Drivers	Total Violations Identified
25	146	43

## **Safety Oversight of Transit Authorities and Passenger For-Hire Bus Companies**

State law specifies the Department as the oversight agency responsible for the safety of equipment and operations of all transit authorities and passenger for-hire bus companies in Massachusetts including transit bus systems, motor coaches and sightseeing vehicles. The Division performed 4,165 safety inspections during 2006.

The Federal Transit Administration ("FTA") requires that states oversee the safety and security of Rail Fixed Guideway Systems. The Massachusetts Bay Transportation Authority ("MBTA") is the only Massachusetts transit authority which operates a rail fixed guideway system. As required by G.L. c. 161A, § 3(l) and 49 C.F.R. § 659, the Transportation Division oversees the safety and security program plans of the MBTA, the fifth largest transit authority in the United States, and monitors compliance with the Department's safety and security program standard. While other states with smaller transit authorities often dedicate an entire regulatory division to overseeing the transit authority, MBTA oversight is but one responsibility of the Transportation Division. A random inspection of MBTA subway cars is a component of this oversight program. During 2006, the Division participated in 45 internal transit safety/security audits. In accordance with the provisions of 49 C.F.R. Part 659 the Transportation Division annually reviews, tests and approves the System Safety Plan and Security Program Plan created by the MBTA. Transportation Division staff works closely with MBTA staff conducting on-site inspections of facilities and equipment. In addition, Transportation Division staff reviews and participates in internal safety and security audits to further enhance compliance and safety.

Also, as required by the FTA, in July 2005 the Department conducted a triennial audit of the MBTA as a means to test both the MBTA's System Safety Plan and Security Program Plan. The Transportation Division performed the safety portion of the audit and hired a transit security consultant to conduct the security portion of the

triennial audit. During calendar year 2006 the MBTA began implementing Corrective Action Items agreed to in the 2005 audit report.

In addition, under authority delegated by the Federal Railroad Administration and as required by G.L. c. 160, the Transportation Division performs inspections of new installations and upgrades of highway/railroad grade crossing signal systems.

### **Safety Inspections in 2006**

Transit bus, motor coach and sightseeing vehicles	4,165
Highway/railroad grade crossing signal systems (New installation/upgrades)	12
Transit audits	62
New Entrant Safety Audit	56
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Total Safety Inspections:	4,295

### **Licensing of Certain Common Carriers**

In accordance with G.L. c. 159B, § 3 and G.L. c. 159A, §§ 7 and 11A, the Transportation Division licenses common carriers transporting people or property by vehicle. During 2006, the Transportation Division conducted 131 licensing hearings.

### **Licensing Hearings in 2006**

Bus Companies	44
Tow Companies	52
Household Movers	34
Hazardous Waste	1
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Total:	131

In addition, 148 licenses were revoked or disciplinary action was taken against carriers that failed to maintain insurance and/or to obtain current-year identification devices.

### **Provision of Decals and Permits**

Vehicle specific decals and permits (for trucks, buses, etc.) are required by law to denote a licensed common carrier. In 2006, the Transportation Division issued 11,180 decals and permits, collecting over \$585,000 in revenues.



## Consumer Complaint Investigations

In accordance with the provisions of G.L. c. 159B, § 6B and 220 C.M.R. § 272.00, the Transportation Division regulates the price and service related to the towing and storage of vehicles towed without the permission of the owner or operator. The Transportation Division will respond to or investigate consumer complaints submitted in writing regarding towing companies or companies transporting household goods (moving companies). The Transportation Division received 60 consumer complaints in 2006.

### Consumer Complaints 2006

Complaints regarding tow companies:	41
Number of complaints resulting in a refund:	27 (65.9%)
Total dollars refunded:	\$ 4,378.41
Average refund	\$ 162.16

Complaints regarding moving companies:	19
Number of complaints resulting in a refund:	14 (73.7%)
Total dollars refunded:	\$ 3,687.75
Average refund	\$ 263.41

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Total Refunds to Consumers	\$ 8,066.16
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## Inter-Agency Cooperation

The Transportation Division interacts with the following Massachusetts trade groups, and state and federal agencies:

- Statewide Towing Association (“STA”). The STA petitions the Department for rate relief regarding police/public authority ordered tow rates. The maximum rate for “involuntary tows” is established through a Department rulemaking procedure.
- School Transportation Association of Massachusetts (“STAM”). STAM represents the school bus industry in Massachusetts. The Transportation Division licenses all the school bus drivers in Massachusetts. The Transportation Division works with STAM to formulate outreach programs such as safety training for drivers and school bus company personnel.
- New England Bus Transportation Association (“NEBTA”). NEBTA represents the motor bus industry in Massachusetts. All Massachusetts-based motor bus companies must be licensed by the

Department. NEBTA occasionally intervenes on behalf of a member at a license hearing.

- Massachusetts Movers Association (“MMA”). The MMA represents the moving industry in Massachusetts. Household goods movers are regulated by the Department.
- U.S. Department of Transportation, Federal Motor Carrier Safety Administration (“FMCSA”). The FMCSA conducts carrier safety audits of Massachusetts-based truck and motor bus companies. FMCSA provides guidance regarding federal safety regulations and commercial driver qualifications. The Transportation Division provides assistance by conducting New Entrant Safety Audits on behalf of FMCSA. Further, the Division provides feedback to the FMCSA regarding the safety practices of motor bus companies based in Massachusetts. In 2006 certain Transportation Division staff were trained to perform FMCSA safety audits.
- Federal Transit Administration (“FTA”). The FTA publishes rules which mandate a state safety/security oversight program for subway systems. The Department is the oversight agency for the MBTA subway operations and the state oversight agency for all 15 transit agencies in Massachusetts.
- Federal Railroad Administration (“FRA”). The Department is mandated by statute to ensure all new and modified highway/railroad grade crossing signal systems operate in accordance with FRA regulations. No changes to a highway/railroad grade crossing signal system can occur without a “Notice to Proceed” from the Department. The Department participates in the FRA State Rail Safety Participation program.
- Commercial Vehicle Safety Alliance (“CVSA”). CVSA is an international association of state, provincial, and federal officials responsible for the administration and enforcement of motor carrier safety laws in the United States, Canada and Mexico. CVSA’s mission is to promote commercial motor vehicle safety and security by providing leadership to law enforcement, the bus and truck industry, and policy makers. The Transportation Division Assistant Director is the Chairman of the CVSA Passenger Carrier Committee.
- Massachusetts State Police (“MSP”). As set forth in a Memorandum of Understanding (MOU) the Transportation Division works closely with the MSP Commercial Vehicle Enforcement Section to conduct motor coach inspections at facilities and destinations.

- Registry of Motor Vehicles (“RMV”). The Department, through a Memorandum of Understanding (MOU) with the RMV, licenses all school bus drivers in the Commonwealth, conducts school bus driver compliance reviews and administers the Commercial Driver License (“CDL”) exam for all new school/motor bus drivers.

## **Legal Division**

### **Overview**

The Legal Division staff serves as the chief legal and policy advisor to the Commission and provides legal support to all divisions of the Department. The Legal Division also serves as the Department's primary liaison with the Legislature, particularly the Committee on Telecommunications, Energy and Utilities.

### **Division Responsibilities**

#### **Formal Adjudication**

The Legal Division's primary duty is presiding over adjudicatory proceedings conducted under the Massachusetts Administrative Procedures Act (G.L. c. 30A) and the Department's procedural regulations (220 C.M.R. §1.00). During 2006, the Legal Division participated in the issuance of 270 Orders. A list of the Orders issued is attached at Appendix 3.

Adjudications are the formal determination of parties' rights through a quasi-judicial process. All parties – both the party filing the action and any intervenors – are entitled to due process safeguards, meaning that the parties are entitled to adequate notice and the opportunity to be heard. Parties to the action have the right to present evidence, cross-examine witnesses, and receive a written decision from the Department. Pursuant to G.L. c. 25, § 4, the Chairman of the Department may delegate authority to an attorney from the Legal Division, known as the "Hearing Officer," to preside over Department adjudications.

Adjudicatory proceedings vary in complexity and may be divided into categories including:

- Utility ratemaking;
- Review of utility long-range forecast and supply planning;
- Review of utility financial transactions (e.g., stock, bond, and security issuances);
- Review of proposed utility mergers;
- Resolution of billing disputes between residential consumers and utilities;
- Review of proposed energy facility construction and siting (e.g., electric generation facilities and transmission lines); and

- Certification of common carriers to do business within the Commonwealth (e.g., telecommunications companies, truck companies, bus companies).

In conducting a formal adjudicatory proceeding, the Department generally holds two types of hearings: (1) a public hearing, and (2) an evidentiary hearing. Public hearings are publicized throughout the utility's service territory. In certain types of cases, public hearings are held in a utility's service territory. Public hearings are transcribed by a stenographer. If held in a utility's service territory, public hearings are conducted during the evening, usually in an easily accessible public building such as the Town Hall, and are usually presided over by a Commissioner. The public hearings afford local consumers the opportunity to learn more about a rate request, offer their input about the pending case, and comment on the practices of the utility. Residential and business customers are a valuable source of information to the Department in developing a case record.

Evidentiary hearings are conducted in a courtroom setting in the Department's Boston offices. These proceedings are also transcribed by a stenographer. The hearings are presided over by the Hearing Officer, with the active participation of the Department's technical staff. The technical staff participates by questioning witnesses to ensure that the record is accurate and complete.

While the adjudicatory process does not require adherence to all formal rules of evidence, the evidentiary hearing process follows many rules of civil procedure, and parties are almost always represented by counsel from the utility bar. Evidentiary hearings afford intervenors the opportunity to question company witnesses. In many rate cases, the Attorney General of the Commonwealth is an intervenor. Other intervenors may include public interest organizations, Division of Energy Resources (DOER), and local consumer, business or neighborhood groups. Sometimes intervenors put on a direct case with witnesses of their own.

Based on the evidence in the record, the Department issues a Final Order at the conclusion of each adjudicatory proceeding. Pursuant to G.L. c. 25, § 5, the Department's Final Order is appealable directly to the Massachusetts Supreme Judicial Court without intermediate appellate review. In certain circumstances, Department Orders may also be appealed to the Federal District Court or the FCC.

## **Other Types of Adjudication**

### **Requests for Advisory Ruling**

The Department is sometimes called upon to issue advisory rulings with respect to the applicability of any statute or regulation enforced or administered by the Department. The Department has discretion to decline a request for an advisory ruling. G.L. 30A, § 8; 220 C.M.R. § 2.08.

## **Notice of Inquiry Proceedings**

The Department issues a Notice of Inquiry (“NOI”) when the agency desires public input on a particular issue. Thus, NOIs are Department-initiated investigations that are neither formal adjudications nor rulemakings. The goal of the NOI is to encourage broad input in the development of public policy. The Department derives authority to issue a NOI from G.L. c. 164, § 76.

Participants in an NOI proceeding file comments and may provide sworn testimony. However, participants are not cross-examined and do not have appeal rights. The order issued at the close of the investigation is usually a general policy statement with guidelines for future actions by utilities or by the Department. The policy established through the NOI may be further developed in the future through company-specific adjudications.

## **Rulemakings**

The Department conducts rulemakings pursuant to G.L. c. 30A, §§ 4-10 and 220 C.M.R. § 2.00, to adopt, amend or repeal regulations pertaining to the activities of all industries the Department is charged by statute with regulating. A rulemaking proceeding may involve simple procedural regulations or may address complex regulatory issues. The Department is required to provide public notice of a proposed rulemaking and to allow an opportunity for public comment. After consideration of the public comment, the Department may issue final regulations. Any final regulation must be published in the Code of Massachusetts Regulations.

## **Consumer Division**

### **Overview**

The Consumer Division is responsible for enforcing and monitoring compliance with Massachusetts laws and Department regulations and policies protecting consumers of gas, electricity, telecommunications, water, and cable services. Over one thousand companies fall within the scope of the Consumer Division's regulatory authority, with the largest number in the telecommunications industry.

Fulfilling its statutory and regulatory responsibilities in 2006 required the Consumer Division to:

- Respond to over 43,000 telephone inquiries for the year;
- Investigate over 7,000 complaints for the year;
- Conduct informal hearings;
- Provide training for utility consumer representative managers;
- Approve bill notices and billing inserts;
- Provide consumer education;
- Compile statistics for reporting and informational purposes; and
- Advise the Department on important consumer issues.

### **Division Responsibilities**

#### **Respond to Consumer Inquiries**

The Consumer Division's most important duty is to respond to the 200 to 300 contacts received daily concerning utility and cable companies. Consumers may contact the division by phone, mail, email, or by visiting the office. The vast majority of consumers contact the Division by telephone. Contacts are further categorized as either inquiries or referrals, for which we provide information, or complaints, which we investigate.

The Consumer Division operates a call center management system allowing staff to provide direct personal attention to consumer inquiries and complaints, while also allowing for automated voice-activated assistance (Parlance) to those consumers who wish to speak directly with their utility or cable company. The Parlance system frees

the Consumer Division's utility specialists to focus on calls requiring Consumer Division expertise.

### **Investigate and Resolve Consumer Complaints**

Every utility or cable complaint opened by the Consumer Division must be resolved before it can be closed. The Division handles an average of nearly 9,000 complaints annually. The majority of the complaints concern billing disputes, consumers having difficulty paying their bills, or allegations of poor quality service. If the Division finds the utility company at fault, it will order the company to correct the problem and to make any necessary refunds, referred to as billing adjustments.

If a residential consumer or utility company is dissatisfied with the resolution of a complaint filed with the Consumer Division, either party may request an informal hearing. A Consumer Division staff member who was not involved in investigating the initial complaint will conduct the informal hearing and issue a written decision. Parties unhappy with the informal written decision may request a formal adjudicatory hearing conducted by a hearing officer from the Department's Legal Division.

The unauthorized switching of a consumer's telephone service provider or, more recently, an electric generation provider, is known as "slamming". The Consumer Division enforces both federal and state laws which prohibit slamming. In Massachusetts, consumers must bring telephone service slamming complaints within 90 days and electric generation service slamming complaints within 30 days. If the Department determines that an unauthorized switch has occurred, consumers will receive a refund of any unauthorized charges. Companies that engage in slamming may be subject to a fine.

### **Conduct Informal Hearings**

If the consumer or the utility company are dissatisfied with the investigator's resolution of a complaint either party may request an informal hearing within the Consumer Division. These hearings are held in our Boston offices. Both sides attend and may bring witnesses. Neither side needs to bring an attorney and there is no transcript of this proceeding. A Consumer Division staff person not involved in the initial investigation will hear the complaint anew and write a decision. Both parties have the right to appeal the decision of the Consumer Division to the five-member Commission.

### **Train Utility Managers**

To promote utility company compliance with Department regulations, the Consumer Division holds annual utility managers' meetings for both investor-owned and municipal utility companies. At these meetings, Consumer Division staff review statutes, regulations, and policies pertaining to billing, protection from service shut-off



and abatements, as well as other consumer protections. Every other year the Consumer Division holds a more basic regulations training for the municipal utility companies. In addition to training, the Consumer Division is always available to answer utility managers' questions and provide guidance.

### **Review Utility Bills and Notices**

The Consumer Division is responsible for reviewing utility billing material and notices. The Consumer Division reviews bill format changes, bill inserts and notices, including rate change notices, as well as informational letters sent to consumers. The Consumer Division may recommend changes to notices if necessary to ensure that consumers are provided clear and accurate information.

### **Provide Consumer Education**

Electricity consumers may purchase their electric generation supply from a competitive supplier rather than from their utility company. As a result, the Consumer Division, in conjunction with electric utilities, provides consumer education about selecting an electric supplier.

The Consumer Division periodically develops informational brochures on important subjects in the utility industry, such as electric deregulation, telecommunications slamming, and addressing heating costs. Staff is available to speak at meetings of community organizations, particularly those that assist low-income and elderly utility consumers. During the winter heating season, the Division mailed flyers and posters with conservation and energy saving tips, as well as information regarding heating financial assistance to over 650 public agencies and organizations.

### **Compile Statistics**

The Consumer Division maintains a record of each consumer complaint and inquiry including the names of the customer and the utility company, the type of utility service, the nature of the complaint, whether the complaint resulted in a hearing, and whether an adjustment was made on the bill. The database allows the Division to track and categorize complaints by industry and company.

The Consumer Division provides statistical information to the Department, utilities and public officials. Data compiled by the Consumer Division provides an important basis for determining whether fines should be levied against a utility for failure to meet required service quality benchmarks. The Division uses collected data to alert the Commission to trends in consumer complaints. In addition, data may be used to indicate whether an increased need for fuel assistance exists. Data may also provide

evidence of fraud or unfair trade practices, which would be forwarded to the Office of the Attorney General.

In 2006, the Consumer Division received a total of 43,025 consumer contacts. Of these contacts: (1) 14,335 were general inquiries from consumers; (2) another 7,246 resulted in consumer complaints against a utility or cable company; and (3) 21,444 calls were transferred to a utility or cable company by the division's automated phone transfer system (Parlance). In 2006, the Consumer Division issued \$199,171.24 in refunds (bill adjustments) to consumers as a result of its investigations.

## **Assistance For Low-Income Customers**

### Discount Enrollment

Through a Department investigation (D.T.E. 01-106), the Department determined that many low-income consumers eligible for an electric and gas discount rate do not receive it. The Department developed an automatic enrollment program to increase the enrollment of eligible consumers.

Public utilities send a list of customers to the Department of Transitional Assistance (DTA), which oversees a number of means tested public benefit programs. The DTA compares the utility customer list with the names of recipients of means tested public benefit programs. DTA identifies benefit recipients who do not receive the discount. Utility companies then automatically enroll these consumers in the discount. In 2006, utility companies added over 61,000 households to the discount rate.

### Arrearage Management Programs

In 2006, pursuant to St. 2006, c. 140, the Department directed each gas and electric company to establish an Arrearage Management Program targeted at low-income consumers with an overdue utility bill balance. Enrollees agree to an affordable payment plan and, in return, receive some forgiveness of their debt. Approximately 3500 individuals enrolled in the program in 2006. Under the Arrearage Management Program, gas and electric utilities received over \$1 million in bill payments from low-income consumers with an overdue balance, while forgiving approximately \$300,000 in arrearages.

## **Telecommunications Division**

### **Overview**

The Telecommunications Division provides technical support to the Commission in the regulation of the telecommunications industry in Massachusetts. The industry is made up of local exchange carriers, interexchange carriers, operator service companies, and pay-telephone companies. The mission of the Telecommunications Division is to ensure that telecommunications companies provide their customers with the most reliable telecommunications resources at the lowest possible cost.

The Telecommunications Division's major responsibilities are to:

- Revise existing policies and develop new policies, such as broadband deployment strategies, in response to new technologies and market conditions;
- Develop and enforce policies to promote wholesale competition;
- Develop and enforce policies to promote retail competition, including policies that relax regulation where market forces are sufficient to protect consumer interests;
- Monitor the quality of service provided by all carriers, and for the state's incumbent local exchange carrier, Verizon, enforce its service quality plan;
- Analyze major federal regulatory decisions to evaluate their impact on state regulation of the telecommunications industry, and when appropriate, advocate on behalf of Massachusetts consumers before the Federal Communications Commission;
- Review new registrations from companies seeking to provide telecommunications services in Massachusetts;
- Review individual tariff filings that would implement new service offerings or change the rates, terms or conditions of existing service offerings;
- Enforce Department regulations and policies; and
- Explain Department regulations and policies for telecommunications to consumers, public officials, and companies.

## **Regulatory Framework**

The breakup of AT&T in 1985 led to major changes in the telecommunications industry and how it is regulated. Rapid growth and evolution in the industry challenge the Department to maintain a level of oversight that effectively mitigates market power and promotes economic efficiency, while encouraging technological innovation and sensitivity to customer needs.

The Department has jurisdiction over telecommunications services that originate and terminate within or between each of Massachusetts' two federally-designated "Local Access and Transport Areas." ("LATAs").<sup>5</sup> The Federal Communications Commission ("FCC") regulates services provided between customers in different LATAs, as well as interstate and international services.

### **Retail Services**

To reduce barriers to market entry and encourage competition for telecommunications service in Massachusetts, the Department has streamlined its registration procedures for companies wishing to do business as carriers here. Previously, the Department conducted an investigation into the financial, managerial, and technical ability of a carrier to offer service. The Department now permits carriers to offer service based simply on the submission of a Statement of Business Operations and a tariff. By streamlining the entry process, the Department has made greater resources and staff time available for other responsibilities.

### **Wholesale Services**

Apart from building their own facilities to serve customers, carriers who wish to compete in the retail telecommunications market have two modes of entry availability to them. One of these is to lease unbundled network elements from the "incumbent" local exchange carrier<sup>6</sup> (Verizon) or another carrier and provide service over this leased network. The Department has authority over Verizon's wholesale provision of unbundled network elements, ensures that they are provided in a non-discriminatory manner, and regulates the rates at which they are leased.

The other way a carrier can enter the market is to purchase a service from another carrier at a predetermined wholesale discount rate, then brand the service with

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<sup>5</sup> The Western Massachusetts LATA consists of the 413 area code; all other area codes in the state fall under the Eastern Massachusetts LATA.

<sup>6</sup> The "incumbent" local exchange carrier is the entity that owned the network prior to the introduction of competition.

its own name and resell it. The Telecommunications Division develops the wholesale discount rate pursuant to FCC methodology.

### **Payphone Providers**

Many companies in addition to Verizon own and operate payphones in Massachusetts. In a 1986 Order, the Department held that all payphones must have labels clearly identifying the owner/operator of the phone, and must provide free access to 911 and directory assistance. The Department ensures that Verizon provides the lines necessary to provide payphone service on a non-discriminatory basis to all companies seeking to offer the service. During 2006, the Department handled one new filing from a payphone provider.

### **Division Responsibilities**

#### **Review of New Registrations**

Telecommunications carriers wishing to do business in Massachusetts must file a Statement of Business Operations and a tariff with the Department. The statement includes a general description of the services to be offered by the carrier, contact information for customers who need to reach the carrier with questions or complaints, and a statement that the company has made all appropriate federal and state income tax filings and paid all income taxes. During 2006, the Department handled filings from 34 new carriers.

#### **Review of Original and Amended Tariff Filings**

The Telecommunications Division reviews approximately 47 tariff filings in an average month, including new tariffs and amendments to existing tariffs. Competitive carriers are free to determine prices and service offerings based on what the market will bear (“market-based pricing”). The Telecommunications Division reviews competitive carriers’ tariffs to make sure that they do not contain any terms or provisions that are in violation of Department policy (e.g., a carrier cannot offer service on the condition that a customer agrees not to contest any charges), but otherwise generally allows new tariffs to become effective as filed. Because Verizon is the incumbent local exchange carrier, its tariffs receive greater scrutiny than those of competitive local exchange carriers (“CLECs”), although most of Verizon’s rates are subject to market-based pricing.

#### **Monitoring of Verizon’s Service Quality**

Since the passage of the federal Telecommunications Act of 1996, the Massachusetts telecommunications market has experienced competitive growth in all sectors, including residential, business, urban and rural. In 1995, the Department adopted a Service Quality Plan for Verizon, consisting of twelve service measures in

the categories of Installation Service, Maintenance Service, and Service Response. Verizon reports its performance on each of the measures to the Department on a monthly basis. If Verizon's performance falls below the Department's threshold, Verizon pays a penalty in the form of a refund to the ratepayers. By continuing to monitor Verizon's quality of service, the Department ensures that Verizon, as the dominant local exchange carrier in Massachusetts, allocates sufficient resources for the maintenance of quality basic service to all customers, regardless of the level of competition the company faces in a particular market.

### **Analysis and Implementation of Major Federal Regulatory Changes**

Decisions of the FCC, Congress, and state and federal courts affect the structure of the telecommunications industry and the Department's authority to regulate intrastate telecommunications services. Telecommunications Division staff monitors large volumes of relevant case law from other agencies and jurisdictions to keep abreast of major issues that may influence the provision of telecommunications services within Massachusetts. In particular, the Telecommunications Division monitors all new telecommunications-related dockets at the FCC to determine whether to participate in those proceedings as an advocate on behalf of Massachusetts consumers and/or to keep the Commission informed of the impact of those proceedings on Department policies. In 2006, the Telecommunications Division actively monitored approximately 20 FCC proceedings and submitted comments in five proceedings of particular importance to Massachusetts consumers.

### **Enforcement**

The Telecommunications Division enforces a wide variety of laws, regulations, and policies. For example, under the Department's "chat line" policy, carriers providing service to information service providers, including chat line providers, are required to serve their information service provider customers exclusively with blockable telephone numbers. In addition, carriers are required to notify their end-user customers of the option to block outgoing calls to voice information services, including chat lines. In 2006, the Telecommunications Division continued to ensure that carriers were complying with our chat line policy. In addition, the Telecommunications Division conducted enforcement action against two carriers operating without Department approval. Also, the Telecommunications Division took action against carriers who failed to comply with statutory financial reporting requirements. The Department's methods for ensuring compliance include mass mailings notifying the industry of Department rules and regulations; issuing Notices of Probable Violation ("NOPVs"); opening investigations; issuing Orders to cease and desist; and referring violators to the Attorney General's Office for prosecution.

## **Development of Policies to Address New Technologies and Market Conditions**

The evolution of the telecommunications industry within Massachusetts has resulted in many new telecommunications service providers and a plethora of new service offerings. Because of the changing nature of the telecommunications industry, the Telecommunications Division analyzes new technologies and market developments in order to determine their impact on customers. For example, in 2006, the Telecommunications Division worked closely with the Massachusetts Technology Collaborative to provide legal/regulatory assistance with their broadband deployment initiatives, and worked to develop its own strategic framework for broadband deployment in unserved or underserved areas of the state.

## **Education and Public Information**

The Telecommunications Division devotes substantial staff time to explaining the Department's regulations and policies to potential and existing providers of telecommunications services. Staff also devotes significant time to consumer inquiries and refers consumers to the Consumer Division for additional assistance. From time to time, the Department requires telecommunications carriers to develop customer education materials explaining major changes in the provision of services. The Telecommunications Division reviews these education materials for technical accuracy. As needed, staff develops educational materials in response to industry changes or Department Orders. For example, in 2006, the Telecommunications Division worked with local exchange carriers in developing information about the increase in the E-911 surcharge that carriers were required to provide to their customers.

## **2006 Telecommunications Division Accomplishments**

2006 marked the culmination of 10 years of intense activity in more than 50 separate investigations to implement the policies of the Telecommunications Act of 1996 ("the 1996 Act") and associated rules of the Federal Communications Commission that transformed a previously monopoly local telephone market to one of vibrant, sustained competition. During 2006, the Telecommunications Division completed two major proceedings that put in place two more important pieces of the local telephone competition puzzle.

### Verizon Arbitration, D.T.E. 04-33

Since 2004, the Telecommunications Division has been engaged in a very large, complicated investigation designed to conform existing policies to dramatic changes in federal rules about how competing carriers interact with each other. Specifically, the Department arbitrated a dispute over more than 30 separate issues, including determining specific contract language, for amendments to "interconnection agreements" between Verizon and more than 50 competitive telephone companies in

Massachusetts. Although the arbitration was unusually complicated due to the large number of parties and the multiple iterations of federal rules released during the proceeding, Massachusetts was the first state to issue a decision interpreting and implementing the new federal rules. In 2006, the Telecommunications Division completed this arbitration by making remaining determinations on final contract language that will govern the business and operational relationships between competing telephone companies in Massachusetts for many years to come. As a last step in the proceeding, the Telecommunications Division worked closely with Verizon and the other carriers to ensure the successful execution of the final contract amendment documents.

#### Verizon Resale Discount, D.T.E. 06-61

In the other major proceeding in 2006, the Telecommunications Division began and completed a six-month investigation of a petition by Verizon to lower the wholesale discount that it offers competing telecommunications carriers that resell its retail services to their customers. In 1997, shortly after the passage of the 1996 Act, the Telecommunications Division established the so-called resale discount at 25% off of the rates Verizon charged for its retail services. Since then, federal law upon which the initial resale discount was established was changed in favor of Verizon and other incumbent local telephone companies. Verizon's 2006 petition, which was intended to reflect those changes, proposed to reduce the resale discount by roughly half. After carefully reviewing the cost studies, other evidence, and arguments made by Verizon and the resellers in the case, the Department concluded in a well analyzed, soundly-reasoned 70-page decision that Verizon's proposal was unreasonable and that the appropriate resale discount should be approximately 18%. That order, issued on January 30, 2007, required Verizon to submit corrected tariff pages that reflected the Department's decision.

Together, these two major initiatives in 2006 served to continue to adapt the Department's policies to changes in federal rules, new technologies, and an evolving industry so that Massachusetts telecommunications consumers can enjoy to the fullest the benefits of competition (*i.e.*, lower prices, greater customer choice, and higher quality of service). Today, Massachusetts' telecommunications market is one of the most competitive in the country, and Massachusetts ranks within the top five states nationally in broadband penetration.

#### Other Initiatives:

In addition to these two very significant proceedings, the Telecommunications Division also completed several other important investigations, including (1) the adoption of a revised retail surcharge to ensure the continued adequate funding of the state's E911 system and programs that provide access to quality telecommunications services for the deaf and hard of hearing (D.T.E. 06-4); (2) the arbitration of a dispute between Verizon and a competing telephone company, Charter Fiberlink, over issues concerning the interconnection of their networks (D.T.E. 06-56); (3) the final approval for the use of the abbreviated access code, 211, by the United Way for a statewide



information and referral service (D.T.E. 06-30); (4) the resolution of a dispute between Verizon and a competing telephone company, DSCI Corp., over whether DSCI can resell to its business customers (at the resale discount) Verizon's services that it provides under its contract with the Commonwealth of Massachusetts (D.T.E. 05-28); (5) final resolution of a dispute between Verizon and a competing telephone company, CTC Communications, concerning the issue of whether CTC is required to pay Verizon for certain untariffed wholesale services (D.T.E. 04-87); (6) along with the Rates Division, settling a rate dispute between wireless companies and the Massachusetts Transportation Authority for providing wireless service in the Central Artery tunnels (D.T.E. 06-70); and (7) elimination of a redundant Verizon wholesale service quality plan (D.T.E. 03-50).

## Cable Television Division

### Overview

In 1971, the Legislature established the Massachusetts Community Antenna Television Commission "to authorize . . . the installation of community antenna television systems in cities and towns of the [C]ommonwealth and to provide for the regulation thereof by such cities and towns and the [C]ommonwealth. . . ." In the 35 years since the Legislature issued this grant of authority, what began as a service designed mainly to deliver off-the-air broadcast signals to rural and mountainous areas has become an \$1.65 billion industry in Massachusetts.<sup>7</sup> While some households still rely on antenna reception, the principal alternative to cable television has been satellite television. However, in recent years, new entrants to the marketplace, such as competitive overbuilders and municipally-owned companies, have emerged. Principal among these competitive providers are telephone companies that have begun offering video service, as well as high-speed data service, in competition with incumbent cable operators. In recognition of the convergence of industries, the Legislature merged the Massachusetts Community Antenna Television Commission into the Department as the Cable Television Division ("Cable Division") in 1997.

Cable television continues to be regulated on the local, state, and federal level. Under its enabling legislation, G.L. c. 166A, and implementing regulations at 207 C.M.R. § 1.00 et seq., the Cable Division:

- Oversees cable television franchising, franchise renewal, and the transfer of cable franchises in the Commonwealth;
- Establishes basic service tier programming, equipment and installation rates for communities in Massachusetts that have requested rate regulation; and
- Enforces consumer protection standards.

During 2006, the Cable Division oversaw 11 cable television providers serving over two million cable subscribers in 308 of the Commonwealth's 351 cities and towns. However, by the close of 2006, the number of cable operators had decreased to 10 as Adelphia Communications completed the transfer of its franchises to Comcast and Time Warner.

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<sup>7</sup> The \$1.65 billion estimate includes cable television revenues only and excludes revenue received by the cable operators from the sale of internet or telephone services.

## **Division Responsibilities**

### **Oversight of Municipal Cable Franchising**

In Massachusetts, local municipalities act as the issuing authorities and negotiate and grant cable licenses, while the Cable Division retains oversight authority in licensing matters. The Cable Division conducts an extensive educational program for communities involved in the licensing process, regarding applicable substantive and procedural requirements at the local, state, and federal levels. When licensing disputes arise at the local level, the Cable Division serves as the appellate body

In 2006, the issue of cable franchising took center stage before the United States Congress, the Federal Communications Commission ("FCC") and a number of state legislative bodies. While Congress contemplated sweeping video franchising reform, the FCC commenced a rulemaking proceeding to address the issue. No federal legislation was enacted, but the FCC did vote, on December 20, 2006, to impose a 90-day review period on future competitive license applications. The Cable Division also commenced a rulemaking proceeding, upon petition of Verizon Communications, to determine whether the franchise process should be altered in Massachusetts. As we begin 2007, the Cable Division will consider the impact the FCC's decision has on state regulatory authority.

### **Rate Regulation**

In October 1992, Congress passed the Cable Television Consumer Protection and Competition Act, which provided for the regulation of cable television rates. Pursuant to this Act and G.L. c. 166A, the Cable Division regulates subscribers' rates for basic service tier programming, equipment, and installation in those Massachusetts communities that (1) have requested rate regulation and (2) do not have effective competition from a second cable operator, as determined by the FCC. The Cable Division reviews the proposed basic service tier rates to determine whether such rates are just and reasonable and in compliance with applicable federal law. Pursuant to federal law, rates for expanded cable or premium services are not regulated.

In 2006, the Cable Division reviewed basic service tier programming, equipment, and installation rates for the majority of Massachusetts communities. The Cable Division issued five rate orders, with respect to basic service tier programming, installation, and equipment rates applicable in 282 municipalities. Two rate matters were of particular significance. First, a recent order released by the FCC brought into question the Cable Division's findings, concerning the method of calculating the franchise related costs. After review of policy objectives the Cable Division upheld the previous order allowing removal of the franchise related costs ("FRCs") from the rate calculation, in order to work towards achieving uniform rates throughout its Massachusetts communities. Second, during 2006 the Cable Division held its review of

Adelphia's final rate proceeding prior to the transferring of ownership. During the proceeding, the Cable Division conducted a thorough review of all of the elements of the rate filing, in particular, all outstanding license obligations. Because of the Cable Division comprehensive review, there should be a smooth transition to the review of subsequent rate filings prepared for these communities by the acquiring cable operators.

### **Consumer Protection and Education**

The Cable Division, together with the Department's Consumer Division, investigates and resolves individual consumer complaints, either by informal negotiation between the consumer and the cable operator or by formal adjudicatory proceedings. The Cable Division also tracks patterns of complaints in order to identify and resolve more widespread problems.

The Cable Division has adopted regulations designed to afford cable subscribers consumer protections, particularly with respect to billing and termination of service. The Cable Division requires each cable operator to make annual filings to ensure compliance with these consumer protection regulations. Through dedicated telephone lines, published consumer information, fact sheets, and a consumer-friendly website, the Cable Division serves as a source of information for consumers seeking to understand the options available to them, particularly as competition and consolidation of cable operators increases across the Commonwealth.

### **2006 Cable Television Division Highlights**

A list of all Cable Division Orders issued during 2006 is attached as Appendix 1. Highlights of the Cable Division's activities in calendar year 2006 include:

- Basic Tier Programming and Equipment Rates

The Cable Division reviewed basic service tier programming and equipment rates for the majority of Massachusetts communities in 2006 and issued rate orders resulting in refunds or credits to Massachusetts subscribers of almost one-quarter million dollars.

- Initial Licensing by Competitive Provider

By the close of 2006, Verizon Communications had obtained 38 franchises in Massachusetts and is pursuing franchises in an additional 26 communities. Verizon Communications currently has licenses in the communities of Acton, Andover, Belmont, Boxborough, Boxford, Burlington, Dedham, Franklin, Georgetown, Hamilton, Hopkinton, Ipswich, Lexington, Lincoln, Littleton, Lynn, Lynnfield, Marion, Marlborough, Mattapoissett, Nahant, Natick, Needham, Newton, North Reading,

Reading, Rochester, Stoneham, Swampscott, Tewksbury, Topsfield, Tyngsborough, Wakefield, Wellesley, Wenham, West Newbury, Winchester, and Woburn.

- CTV 06-1, Franchise Rulemaking

In March 2006, Verizon Communications, petitioned the Cable Division to adopt a regulation governing the licensing process for a competitive cable system in a community where the Mayor or Board of Selectmen (Issuing Authority) previously granted at least one cable license, and the applicant seeks to offer service in competition with the incumbent provider.

Verizon's proposed process would have created a 90-day shot-clock, where the Issuing Authority would have been required to vote on an application within 90 days of the filing. Verizon's proposal also would have altered the standard of review an Issuing Authority would apply in reviewing a license application by eliminating a consideration of community's needs and interests. In May 2006, the Cable Division commenced a rulemaking proceeding to review the franchising regulatory process. The Cable Division received over 2500 written comments in this proceeding, from July 14, 2006 through September 13, 2006. In addition, the Cable Division held a public hearing on August 16, 2006, at which over 120 people were present. On December 20, 2006, the FCC voted, along party lines, to reform its franchising rules. Just prior to the FCC's scheduled vote on video franchising reform, Verizon requested that the Cable Division refrain from issuing an order or rules in the pending rulemaking proceeding until the FCC issues its decision. The Cable Division has continued the proceeding until we have an opportunity to review the effect of the FCC decision on our regulatory authority and the rulemaking proceeding in particular.

- Adelphia Cable Communications Transfers Completed

In 2002, Adelphia Cable Communications, which provided cable service in 36 Massachusetts communities, filed for bankruptcy following the discovery of major financial irregularities perpetrated by corporate management. Following the bankruptcy filing, the new management of Adelphia determined that the best method to reimburse the company's creditors was to sell the company's cable franchises. Time Warner Cable and Comcast purchased these franchises, and the actual transfer took place on July 31, 2006. Adelphia's 26 franchises in Essex County, Plymouth County, Cape Cod and Martha's Vineyard were transferred to Comcast, which serves all of the neighboring communities. Adelphia's 10 franchises in Berkshire County were transferred to Time Warner Cable, which serves Pittsfield and two neighboring towns.

## **Executive Division**

The Executive Division provides administrative support to the Department for purchasing, accounts receivable and payable, personnel management, budget preparation and management, public relations, and the oversight of administrative services. The Executive Division also serves as liaison to the Office of Consumer Affairs and Business Regulation ("Consumer Affairs"), the Fiscal Affairs and Human Resources Divisions in the Executive Office for Administration and Finance, and various jurisdictional legislative committees.

The Executive Division manages the Department's budget, which is funded almost entirely by assessments against electric, gas, telecommunications and cable companies under the Department's jurisdiction. For Fiscal Year 2006, the Department's budget is \$13,057,500.

Budgetary Direct Appropriations:	\$8,792,536
Transportation Division:	\$ 597,809
Electric Restructuring Trust:	\$3,667,155

In Fiscal Year 2006, the Department's revenues through fees, fines and permits was \$7,037,646. In addition, revenues from assessments on utilities in the amount of \$8,319,802 were deposited in the general fund to offset the Department's appropriations. The total revenue credited to the Department was \$15,357,448.

The Executive Division drafts and issues all press releases on behalf of the Department, responds to all media inquiries, and prepares speaking points and briefing materials for Consumer Affairs and the Governor's Press Office.

The administrative services area in the Executive Division consists of Administration and Management Information Systems ("MIS"). Administration is responsible for publishing notices of all Department public hearings and meetings and makes all the arrangements for outside hearings. In CY 2006, the Department conducted a total of 94 hearings. Although most of the hearings are held in the Department's South Station Offices, the Department also conducted 3 public hearings in other locations throughout the state.

Administration also processes all docket filings and Orders issued by the Department and manages the records retention program. Staff processed 270 decisions to multiple parties and intervenors in the Department dockets in CY 2006. Additionally, staff responded to hundreds of requests for information from docketed matters, sometimes necessitating retrieval of records from the State Archives.

Staff also provided administrative support to the legal division by certifying the official records of cases appealed to the Supreme Judicial Court and other appellate courts.

Management Information Systems (MIS), within the Executive Division, is responsible for the operation and maintenance of the Department's information technology systems, telephone system, and Website. The Department uses a variety of technologies to disseminate information to the citizens of the Commonwealth, to Department staff, and to the utility companies that the Department regulates. In CY 2006, MIS staff completed the final upgrades to newly-leased computers, including desktop software. Agency-wide training consisting of more than fifty courses was conducted by a professional trainer over a five-month period. Network server upgrades are continuing with support from OCA and MIS staff have been trained on maintenance of the new blade servers. Finally, the Department completed the portalization of our website in mass.gov.

## **Appendix 1 - 2006 Siting Board Decisions, Department Orders and Siting Board Federal Agency Filings**

### **Energy Facilities Siting Board**

- EFSB 05-1      Berkshire Gas Company, approval to construct a natural gas distribution line (Northampton, Hatfield) January 13, 2006
- EFSB 05-2      Colonial Gas Company d/b/a KeySpan, approval to construct 13.1 miles of natural gas pipeline (Sandwich, Barnstable, Yarmouth, Dennis, Harwich) May 17, 2006
- EFSB 98-7C      Fore River Development, LLC, approval to implement an alternative fuel plan September 18, 2006

### **Department of Telecommunications and Energy**

- DTE 05-83      Tennessee Gas Pipeline Company for authority to survey land (Saugus) pursuant to G.L. c.164, §§72A and 75D - March 29, 2006
- DTE 06-32/06-39      TDK Properties, LLC (determination of necessity/zoning exemption, G.L. c.164 §72 and G.L. c.40A, §3) (Everett) Petition withdrawn May, 2006

### **Federal Agency Filings**

- CP04-36      Weaver's Cove, L.L.C., filed joint appeal with City of Fall River, Attorneys General of MA and RI in First Circuit Court of Appeals on January 26, 2006, for a rehearing regarding the proposed liquified natural gas terminal and natural gas lateral pipelines for Fall River, Freetown, Somerset, and Swansea; filed comments on FEIR at MEPA on April 7, 2006; filed joint brief (with City of Fall River, AGs of MA and RI) October 4, 2006
- CP05-383      Algonquin Gas Transmission, LLC, ( Northeast Gateway Energy Bridge, L.L.C., USCG-2005-22219; comments filed on DEIS/DEIR on June 30, 2006; comments filed on FEIS/FEIR on November 24, 2006
- CP06-143      Algonquin Gas Transmission, LLC, EFSB held a public informational hearing in Bourne, MA, June 20, 2006; Environmental comments filed July 12, 2006



- USCG2005-22611 Neptune LNG, L.L.C. Liquefied Natural Gas Deepwater Port License Application; comments filed July 17, 2006 on DEIS/DEIR; comments on FEIS/FEIR filed December 8, 2006
- CP06-18-000 Tennessee Gas Pipeline Company; comments filed February 1, 2006; supplemental comments filed April 21, 2006, on new alignments to proposed Essex-Middlesex pipeline; environmental assessment comments filed June 23, 2006

## Appendix 2 - 2006 Consumer Division Statistics by Industry

### Legend

Referrals:	Information is provided to the consumer, but no complaint is opened
Parlance:	Consumers transferred directly to a utility company by the Division's automated transfer system
Adjustments:	Refunds to consumers
Other:	Company name not in database
Unknown:	Company name not in database

INDUSTRY	COMPANY	CASES	REFERRALS	PARLANCE	ADJUSTMENTS
<b>CABLE</b>					
	ADELPHIA CABLE	19	71	49	\$302.68
	CABLEVISION	1		0	\$0.00
	CENTURY CABLE		15		
	CHARLEMONT CABLE		29	8	
	CHARTER CABLE	88	123	303	\$1,213.66
	COMCAST CORP.	364	1491	2606	\$4,476.50
	COX CABLE		6	48	
	NEW ENGLAND CABLE		1		
	OTHER CABLE	1	3		\$0.00
	RCN CABLE	96	624	759	\$1,264.31
	RUSSELL COMMUNITY			3	
	SHREWSBURY CABLE		2	17	
	TIME WARNER CABLE	20	75	280	\$308.43
	TUFTS UNIVERSITY			2	
	<b>TOTAL CABLE</b>	<b>589</b>	<b>2440</b>	<b>4075</b>	<b>\$7,565.58</b>
<b>ELECTRIC</b>					
	NANTUCKET ELECTRIC	1	3		\$0.00
	NATIONAL GRID(MASSACHUSETTS ELECTRIC)	743	868	1458	\$3,886.18
	NORTHEAST UTILITIES (WESTERN MASSACHUSETTS ELECTRIC)	238	640	825	\$349.91
	NSTAR (BOSTON EDISON)	990	1718	413	\$35,939.94
	NSTAR(CAMBRIDGE ELECTRIC)	31	23	870	\$30.00
	NSTAR(COMMONWEALTH ELECTRIC)	361	71		\$7,981.97
	<b>TOTAL INVESTOR OWNED ELECTRIC</b>	<b>2364</b>	<b>3323</b>	<b>3566</b>	<b>\$48,188.00</b>
<b>MUNICIPAL ELECTRIC</b>					
	ASHBURNHAM MUNICIPAL ELEC	3	1	112	\$0.00
	BELMONT MUNICIPAL ELEC	3	2	22	\$0.00
	BOYLSTON ELECTRIC			63	
	BRAINTREE MUNICIPAL LIGHT & CABLE	7	4	3	\$0.00
	CHESTER MUNICIPAL ELEC	2	1	23	\$0.00
	CHICOPEE MUNICIPAL ELEC	13	6	7	\$0.00
	CONCORD ELECTRIC			73	
	DANVERS MUNICIPAL ELEC	1	3	5	\$0.00
	GEORGETOWN MUNICIPAL ELEC		1		
	GROTON ELECTRIC			5	
	GROVELAND ELECTRIC			81	
	HINGHAM MUNICIPAL ELEC	2	1	57	\$0.00
	HOLDEN ELECTRIC			35	
	HOLYOKE MUNICIPAL ELEC	2	2	23	\$0.00
	HUDSON MUNICIPAL ELEC	1		173	\$0.00
	HULL MUNICIPAL ELEC		1	19	\$0.00

INDUSTRY	COMPANY	CASES	REFERRALS	PARLANCE	ADJUSTMENTS
	IPSWICH MUNICIPAL ELEC	3		11	\$0.00
	LITTLETON MUNICIPAL ELEC		1	60	
	MANSFIELD MUNICIPAL ELEC	19	5	8	\$0.00
	MARBLEHEAD MUNICIPAL ELEC	2	3	7	\$0.00
	MERRIMAC MUNICIPAL ELEC		3	36	
	MIDDLEBORO MUNICIPAL ELEC		2		
	MIDDLETON ELECTRIC			28	
	N. ATTLEBOROUGH MUN ELEC	3	6	15	\$0.00
	NORWOOD MUNICIPAL LIGHT & CABLE	3	1	34	\$0.00
	PAXTON ELECTRIC			2	
	PEABODY MUNICIPAL ELEC	2	1	12	\$0.00
	PRINCETON ELECTRIC			18	
	READING MUNICIPAL ELEC	6	1	9	\$0.00
	ROWLEY MUNICIPAL ELEC	2			\$0.00
	RUSSELL ELECTRIC			8	
	SHREWSBURY MUNICIPAL ELEC	1		15	\$0.00
	SOUTH HADLEY ELECTRIC			8	
	STERLING ELECTRIC			1	
	TAUNTON MUNICIPAL ELEC	18	7	23	\$0.00
	TEMPLETON MUNICIPAL ELEC		1	10	
	WAKEFIELD MUNICIPAL ELEC	1	3	12	\$0.00
	WELLESLEY MUNICIPAL ELEC		1	9	
	WEST BOYLSTON MUNI ELEC	2		14	\$575.08
	WESTFIELD MUNICIPAL ELEC	10	19	35	\$0.00
	<b>TOTAL MUNICIPAL ELECTRIC</b>	<b>106</b>	<b>76</b>	<b>1076</b>	<b>\$575.08</b>
	<b>GRAND TOTAL ELECTRIC</b>	<b>2470</b>	<b>3399</b>	<b>4642</b>	<b>\$48,763.08</b>
<b>GAS</b>					
	BERKSHIRE GAS	26	31	67	\$0.00
	BLACKSTONE GAS	4	3	62	\$0.00
	KEYSPAN (BOSTON GAS)	634	1200	1688	\$32,950.75
	KEYSPAN (COLONIAL GAS-CAPE)	97	49		\$25,359.20
	KEYSPAN (ESSEX COUNTY GAS)	2	1		\$5,000.00
	KEYSPAN(COLONIAL GAS - LOWELL)	67	18		\$7,231.16
	NEW ENGLAND GAS (NO.ATTLEBORO GAS)	21	11		\$5,028.89
	NEW ENGLAND GAS(FALL RIVER GAS)	73	33	165	\$4,788.04
	NISOURCE(BAY STATE GAS)	398	372	231	\$5,641.62
	NSTAR(COMMONWEALTH GAS)	193	32	2893	\$5,648.61
	OTHER GAS CO.	4	43		\$0.00
	UNITIL(FITCHBURG GAS & ELECTRIC)	75	40	161	\$15.00
	<b>TOTAL INVESTOR OWNED GAS</b>	<b>1594</b>	<b>1833</b>	<b>5267</b>	<b>\$91,663.27</b>
<b>MUNICIPAL GAS</b>					
	HOLYOKE MUNICIPAL GAS	5			\$0.00
	MIDDLEBOROUGH MUN GAS	1			\$0.00
	WAKEFIELD MUNICIPAL GAS	2			\$0.00
	WESTFIELD MUNICIPAL GAS	4	6		\$0.00
	<b>TOTAL MUNICIPAL GAS</b>	<b>12</b>	<b>6</b>	<b>0</b>	<b>\$0.00</b>
	<b>GRAND TOTAL GAS</b>	<b>1606</b>	<b>1839</b>	<b>5267</b>	<b>\$91,663.27</b>

INDUSTRY	COMPANY	CASES	REFERRALS	PARLANCE	ADJUSTMENTS
<b>MUNICIPAL</b>					
	OTHER MUNICIPAL	1	3		\$0.00
	<b>TOTAL OTHER MUNICIPAL</b>	<b>1</b>	<b>3</b>	<b>0</b>	<b>\$0.00</b>
<b>NOT APPLICABLE</b>					
	OTHER	29	1532		\$66.10
	<b>TOTAL OTHER</b>	<b>29</b>	<b>1532</b>	<b>0</b>	<b>\$66.10</b>
<b>SUPPLIER</b>					
	CAPE LIGHT COMPACT	4	22		\$26.65
	CON ED SOLUTIONS	17	10		\$0.00
	DOMINION RETAIL, INC.	12	88		\$48.91
	EXELON ENERGY		1		
	NATIONAL ENERGY CHOICE		9		
	SELECT ENERGY, INC.		2		
	UNITIL RESOURCES, INC.	4			\$0.00
	<b>TOTAL SUPPLIER</b>	<b>37</b>	<b>132</b>	<b>0</b>	<b>\$75.56</b>
<b>TELECOMMUNICATIONS</b>					
	00		7		
	01 COMMUNICATIONS OF MA, LLC		3		
	011 COMMUNICATIONS	5	2		\$135.62
	1 COM, INC.		3		
	ACCXX COMMUNICATIONS	1	2		\$0.00
	ACN	3	5		\$215.34
	ADELPHIA TELECOMMUNICATIONS	12	7		\$18.00
	AFFINITY NETWORK INC.	2			\$72.88
	ALLIANCE GROUP SERVICES, INC.	1			\$0.00
	AMERICAN PHONE SERVICES, INC.	1			\$0.00
	AMERICAN TELECOM SYSTEMS, INC.	1			\$0.00
	AMERICA'S TELE-NETWORK, CORP.		8		
	AT&T	424	725	1764	\$14,477.33
	BAK COMMUNICATIONS LLC	1	3		\$0.00
	BAY RING COMMUNICATIONS		2		
	BROADVIEW NETWORKS	13	3	1	\$630.04
	BROADWING TELECOMMUNICATIONS	1			\$0.00
	BULLSEYE TELECOM	2	1		\$870.99
	BUSINESS DISCOUNT PLAN, INC.				\$0.00
	CHARTEL (CHARTER FIBERLINK TELECOM)	1	1		\$0.00
	CHOICE ONE COMMUNICATIONS	8	38		\$1,146.99
	CLEARTEL TELECOMMUNICATIONS, INC.	1	1		
	CLEARWORLD COMMUNICATIONS CORP.		3		
	COMCAST PHONE, LLC	172	216	142	\$3,930.68
	COMMUNICATIONS NETWORK BILLING	1			\$0.00
	CONVERSENT COMMUNICATIONS OF MA, LLC	14	2		\$0.00
	CORDIA COMMUNICATIONS CORP.	63	134		\$502.21
	COVISTA, INC.		1		
	CTC COMMUNICATION CORP	4			\$536.60
	ECONODIAL, LLC	1	1		\$0.00

INDUSTRY	COMPANY	CASES	REFERRALS	PARLANCE	ADJUSTMENTS
	ENHANCED COMMUNICATIONS NETWORK, INC.				
	ESSENTIAL.COM	2		75	\$94.06
	EVERCOM SYSTEMS, INC.	2			\$0.00
	EXCEL/VARTEC	3	2		\$0.00
	FCC		531		
	GLOBAL CROSSING TELECOM	1			\$0.00
	GLOBAL NAPS	1	2		\$0.00
	GRANBY TELEPHONE COMPANY	1	2	29	\$0.00
	IDT CORPORATION	40	72		\$454.49
	ILD - EVERCOM - TALTON - INVISON	7	2		\$0.00
	IMR TELECOM		1		
	INTEGRETEL	4	1		\$134.72
	LEGENT COMMUNICATIONS CORP. DBA/LONG DISTANCE AMERICA	2			\$142.95
	LIGHTSHIP TELECOM, LLC	1			\$617.36
	LOCAL PHONE COMPANY DBA OPTIMUM	10	1		\$20.00
	GLOBAL COMMUNICATIONS				
	LONG DISTANCE CONSOLIDATED BILLING COMPANY	2			\$24.20
	MASSACHUSETTS LOCAL TELEPHONE COMPANY, INC.	7	5		\$103.45
	MATRIX TELECOM, INC.		2		
	MCI	125	262	853	\$870.63
	MEDIAONE TELEPHONE (ATTBROADBAND)		325		
	METROPOLITAN TELECOMMUNICATIONS	4			\$88.73
	NATIONAL ACCOUNTS, INC.		1		
	NECC TELECOM, INC.	1			\$27.55
	NETECOM INC.	1			\$0.00
	NUI TELECOM, INC.	1			\$0.00
	OPERATOR ASSISTANCE NETWK	7	1		\$0.00
	OPTICOM-ONE CALL		1		
	OTHER TELEPHONE CO.	38	38		\$0.00
	PAE TEC COMMUNICATIONS, INC.	3			\$17.46
	POWERNETGLOBALCOMMUNICATION	4			\$1.33
	QCC	2	1		\$0.00
	QWEST COMMUNICATIONS	3	1		\$0.00
	RCN TELEPHONE	53	100	1028	\$354.39
	RICHMOND TELEPHONE COMPANY	6	2	10	\$416.20
	RNK, INC.	1	1		\$0.00
	SILVERLEAF COMMUNICATIONS, INC.		1		
	SPECTROTEL, INC.	37	3		\$480.78
	SPRINT	16	13	138	\$2,799.58
	STARTEC GLOBAL COMMUNICATIONS	0	0	0	\$0.00
	TACONIC	4	2	17	\$0.00
	TELCOVE		1		
	TELEDIAS COMMUNICATIONS, INC.	1			\$61.44
	TOUCH ONE COMMUNICATIONS	1			\$0.00
	TRINSIC COMMUNICATIONS, INC.	8	1		\$39.00
	U. S. TELECOM LONG DISTANCE	4			\$38.22
	UNITED SYSTEMS ACCESS TELECOM, INC	5	1		\$73.20
	UNI-TEL COMMUNICATIONS GROUP, INC.	2	1		\$0.00
	USBI	13	2		\$14.93

INDUSTRY	COMPANY	CASES	REFERRALS	PARLANCE	ADJUSTMENTS
	VARTEC TELECOM, INC.	3	2		\$0.00
	VERIZON	1271	2381	2759	\$18,577.87
	WORLDXCHANGE CORP DBA ACCERIS COMMUNICATION	1			\$0.00
	XO COMMUNICATIONS, INC.	7	12		\$2,391.04
	YESTEL INC		1		
	ZEROPLUS		1		
	ZONE TELECOM, INC.	1			\$6.64
	<b>TOTAL TELECOMMUNICATIONS</b>	<b>2438</b>	<b>4944</b>	<b>6816</b>	<b>\$50,386.90</b>
<b>UNKNOWN</b>					
	UNKNOWN	39			\$0.00
	UNREGULATED INDUSTRY	6	2		\$0.00
	<b>TOTAL UNKNOWN</b>	<b>45</b>	<b>2</b>	<b>0</b>	<b>\$0.00</b>
<b>WATER</b>					
	ACOAXET WATER WORKS		1	3	
	AQUA WATER COMPANY		2		
	AQUARION WATER COMPANY	6	4	52	\$65.82
	ASHMERE WATER SUPPLY		1	72	
	ASSABET WATER COMPANY	1	1	37	\$225.28
	ASTRO WATER			30	
	BARNSTABLE WATER			96	
	BUTTERWORTH WATER			13	
	DOVER WATER			21	
	EAST NORTHFIELD WATER CO		2	3	
	GLACIAL LAKE CHARLES			50	
	HOUSATONIC WATER WORKS	3	1	11	\$0.00
	HUTCHINSON WATER COMPANY	2		5	\$0.00
	KING'S GRANT WATER			33	
	MAHKEENAC WATERWORKS		1	43	
	MENEMSHA WATER			20	
	MILFORD WATER COMPANY	7	2	14	\$333.00
	MONTEREY WATER			13	
	OAKES WATER			50	
	OTHER WATER CO.	4	5		\$0.00
	PINE HILL WATER COMPANY	1			\$0.00
	PLYMOUTH WATER CO.	1		27	\$0.00
	SALISBURY WATER			23	
	SHEFFIELD WATER COMPANY	1	1	10	\$0.00
	SOUTH EGREMONT WATER			4	
	W. STOCKBRIDGE WATER			3	
	WESTPORT HARBOR			5	
	WHITINSVILLE WATER			1	
	WITCHES' BROOK WATER CO	1	1	5	\$0.00
	<b>TOTAL WATER</b>	<b>27</b>	<b>22</b>	<b>644</b>	<b>\$624.10</b>
<b>GRAND TOTAL</b>		<b>7,242</b>	<b>14,313</b>	<b>21,444</b>	<b>\$199,144.59</b>

### Appendix 3 - Department Orders Issued in 2006

Docket Number	Case Description	Date Issued	Order Type
05-85	Petition of Boston Edison Company, Cambridge Electric Light Company, Commonwealth Electric Company and NSTAR Gas Company for approval by the Department of the Settlement Agreement entered into with the Attorney General of Massachusetts, the Low-Income Energy Affordability Network and Associated Industries of Massachusetts (Compliance Filing)	January 5, 2006	Stamp Approval
05-84	Petition of Boston Edison Company, Cambridge Electric Light Company and Commonwealth Electric Company d/b/a NSTAR Electric for approval by the Department of proposed revised tariffs relating to the Terms and Conditions for Distribution Services and Competitive Suppliers	January 12, 2006	Order
05-GAF-P2	Petition of The Berkshire Gas Company for review and approval by the Department of the company's 2005/2006 Peak Cost of Gas Adjustment Clause filing (tariff revisions related to recovery of bad debt expenses)	January 19, 2006	Stamp Approval
05-85	Petition of Boston Edison Company, Cambridge Electric Light Company, Commonwealth Electric Company and NSTAR Gas Company for approval by the Department of the Settlement Agreement entered into with the Attorney General of Massachusetts, the Low-Income Energy Affordability Network and Associated Industries of Massachusetts (Judicial Appeal Extension)	January 30, 2006	Order
N/A	Fitchburg Gas and Electric Light Company d/b/a/ Unitil, Distribution Safety Plans	January 30, 2006	Letter Order
N/A	National Grid, Distribution Safety Plans	January 30, 2006	Letter Order
N/A	NSTAR Electric, Distribution Safety Plans	January 30, 2006	Letter Order
N/A	Western Massachusetts Electric Company, Distribution Safety Plans	January 30, 2006	Letter Order
05-GAF-P1	Petition of Bay State Gas Company for review and approval by the Department of the company's 2005/2006 Peak Cost of Gas Adjustment Clause filing	January 31, 2006	Letter Order
05-GAF-P3	Petition of Blackstone Gas Company for review and approval by the Department of the company's 2005 Annual Cost of Gas Adjustment Clause Reconciliation and 2005/2006 Peak Cost of Gas Adjustment Clause	January 31, 2006	Letter Order
05-GAF-P5	Petition of KeySpan Energy Delivery New England for review and approval by the Department of the company's 2005/2006 Peak Cost of Gas Adjustment Clause filing	January 31, 2006	Letter Order
05-GAF-P6	Petition of New England Gas Company for review and approval by the Department of the company's 2005/2006 Peak Cost of Gas Adjustment Clause filing for the Fall River service area	January 31, 2006	Letter Order
05-GAF-P7	Petition of New England Gas Company for review and approval by the Department of the company's 2005/2006 Peak Cost of Gas Adjustment Clause filing for the North Attleboro service area	January 31, 2006	Letter Order

<b>Docket Number</b>	<b>Case Description</b>	<b>Date Issued</b>	<b>Order Type</b>
N/A	Fitchburg Gas and Electric Light Company d/b/a/ Unitil Quarterly Basic Service Filing	January 31, 2006	Stamp Approval
02-38-C	Investigation by the Department on its own Motion into Distributed Generation (Compliance Tariffs)	January 31, 2006	Stamp Approval
05-82	Petition of Dig Safe Systems, Inc. to the Department for Implementation of 811 as the Abbreviated Dialing Code for Providing Notification of Excavation Activities to Underground Facility Operators within Massachusetts	February 10, 2006	Order
06-2	Petition of Southern Union Company to the Department for authorization and approval pursuant to G.L. c. 164, § 17A, to loan proceeds of up to 1.7 billion in short-term bridge financing to its wholly owned subsidiary, Southern Union Gathering Company LLC	February 14, 2006	Order
N/A	Western Massachusetts Electric Company Quarterly Basic Service Filing	February 17, 2006	Stamp Approval
05-89	Petition of Cambridge Electric Light Company and Commonwealth Electric Company to the Department for review and approval of their 2005 Transition Cost Reconciliation Filing	February 24, 2006	Stamp Approval
N/A	NSTAR Quarterly Basic Service Filing	February 27, 2006	Stamp Approval
05-58	Petition of The Berkshire Gas Company to the Department for approval of a Gas Transportation Agreement between The Berkshire Gas Company and Tennessee Gas Pipeline Company	February 28, 2006	Order
05-35	Petition of Boston Gas Company d/b/a KeySpan Energy Delivery New England to the Department for Approval of Firm Transportation Agreements with the Tennessee Gas Pipeline Company	February 28, 2006	Order
05-86	Investigation by the Department on its own Motion into Standards for Arrearage Management Programs for Low-Income Customers, pursuant to St. 2005, c. 140, §17	February 28, 2006	Order
06-5	Petition of Massachusetts Electric Company and Nantucket Electric Company to the Department for approval of the company's proposed rate adjustments to take effect March 2006	February 28, 2006	Order
05-GAF-P2	Petition of The Berkshire Gas Company for review and approval by the Department of the company's 2005/2006 Peak Cost of Gas Adjustment Clause filing	February 28, 2006	Letter Order
05-GAF-P3	Petition of Blackstone Gas Company for review and approval by the Department of the Company's 2005 Annual Cost of Gas Adjustment Clause Reconciliation and 2005/2006 Peak Cost of Gas Adjustment Clause filing	February 28, 2006	Letter Order
05-GAF-P5	Petition of KeySpan Energy Delivery New England for review and approval by the Department of the company's 2005/2006 Peak Cost of Gas Adjustment	February 28, 2006	Letter Order
05-GAF-P6	Petition of New England Gas Company for review and approval by the Department of the company's 2005/2006 Peak Cost of Gas Adjustment Clause filing for the Fall River service area	February 28, 2006	Letter Order



<b>Docket Number</b>	<b>Case Description</b>	<b>Date Issued</b>	<b>Order Type</b>
05-GAF-P7	Petition of New England Gas Company for review and approval by the Department of the company's 2005/2006 Peak Cost of Gas Adjustment Clause filing for the North Attleboro service area	February 28, 2006	Letter Order
05-GAF-P8	Petition of NSTAR Gas Company for review and approval by the Department of the company's 2005/2006 Peak Cost of Gas Adjustment Clause filing	February 28, 2006	Letter Order
05-46	Petition of NSTAR Gas Company to the Department pursuant to G.L. c. 164, § 69I, for review and approval of its Load Forecast and Resource Plan for the five-year period 2005/06 to 2009/10.	March 1, 2006	Order
06-26	Investigation by the Department on its own motion as to the propriety of the rates and charges set forth in the following tariff: M.D.T.E. Tariff No. 10, filed with the Department on February 3, 2006 to become effective on March 5, 2006 by Verizon New England, Inc. d/b/a Verizon Massachusetts	March 3, 2006	Order
03-115-A	Petition of Fitchburg Gas and Electric Light Company d/b/a/ Unitil for Approval of its Electric Reconciliation Mechanism, Transition Charge Reconciliation and Inflation Adjustment filing (2003 filing)	March 7, 2006	Order
04-108-A	Petition of Fitchburg Gas and Electric Light Company d/b/a Unitil for approval of its Electric Reconciliation Mechanism and Inflation Adjustment filing (2004 filing)	March 7, 2006	Order
04-87-A	Complaint of CTC Communications Corp. against Verizon Massachusetts regarding provisioning of Unbundled Network Elements at Tariffed Rates (Reconsideration)	March 9, 2006	Letter Order
N/A	Interconnection Agreement between Covista, Inc. and Verizon Massachusetts	March 16, 2006	Stamp Approval
N/A	Interconnection Agreement between Digzip.com, Inc. and Verizon Massachusetts	March 20, 2006	Stamp Approval
05-86	Investigation by the Department on its own Motion into Standards for Arrearage Management Programs for Low-Income Customers, pursuant to St. 2005, c. 140, §17 (Blackstone Gas Company Program)	March 20, 2006	Stamp Approval
05-86	Investigation by the Department on its own Motion into Standards for Arrearage Management Programs for Low-Income Customers, pursuant to St. 2005, c. 140, §17 (The Berkshire Gas Company Program)	March 20, 2006	Stamp Approval
05-86	Investigation by the Department on its own Motion into Standards for Arrearage Management Programs for Low-Income Customers, pursuant to St. 2005, c. 140, §17 (Western Massachusetts Electric Company Program)	March 20, 2006	Stamp Approval
05-86	Investigation by the Department on its own Motion into Standards for Arrearage Management Programs for Low-Income Customers, pursuant to St. 2005, c. 140, §17 (Bay State Gas Company Program)	March 20, 2006	Stamp Approval
05-86	Investigation by the Department on its own Motion into Standards for Arrearage Management Programs for Low-Income Customers, pursuant to St. 2005, c. 140, §17 (Keyspan Energy Delivery New England Program)	March 20, 2006	Stamp Approval

<b>Docket Number</b>	<b>Case Description</b>	<b>Date Issued</b>	<b>Order Type</b>
06-GC-1	Boston Gas Company d/b/a KeySpan Energy Delivery New England First Amendment to Firm Transportation Agreement with Gillette Company	March 22, 2006	Stamp Approval
06-GC-2	Boston Gas Company d/b/a KeySpan Energy Delivery New England Firm Transportation Agreement with Simmons College	March 22, 2006	Stamp Approval
05-95	Investigation by the Department on its own motion, pursuant to G.L. c. 159, §§ 12, 32, and 39, and G.L. c. 166, §§ 11 and 12, regarding the failure by individually-named common carriers of telecommunications services to file annual returns for calendar years 2003 and/or 2004.	March 22, 2006	Order
05-97	Petition of Milford Water Company to the Department for approval and authorization to issue and sell Term Notes in the aggregate principal amount of up to \$1,000,000, pursuant to M.G.L. c. 164, §2 and M.G.L. c. 164, §14	March 23, 2006	Order
05-61	Petition of Milford Water Company to the Department for approval of revised rates and changes in the company's rules and regulations	March 24, 2006	Order
04-114-A	Petition of Cambridge Electric Light Company and Commonwealth Electric Company, for approval of their 2004 Transition Cost Reconciliation Filing, pursuant to G.L. c. 164, § 1A(a), 220 C.M.R. § 11.03(4)(e) and the Restructuring Settlement Agreement approved by the Department in D.P.U./D.T.E. 97-111	March 24, 2006	Order
03-118-A	Petition of Cambridge Electric Light Company and Commonwealth Electric Company for approval of its 2003 Transition Cost Reconciliation filing, pursuant to G.L. c. 164, § 1A(a), 220 C.M.R. § 11.03(4)(e) and the Restructuring Plan approved by the Department in D.P.U./D.T.E. 97-111	March 24, 2006	Order
06-31	Investigation by the Department regarding Bay State Gas Company's compliance with G.L. c. 164, c. 164, § 1E and other staffing matters pursuant to Bay State Gas Company, D.T.E. 05-27 (2005)	March 24, 2006	Order
N/A	Massachusetts Electric Company Quarterly and Semi-annual Basic Service Filing	March 27, 2006	Stamp Approval
05-86	Investigation by the Department on its own Motion into Standards for Arrearage Management Programs for Low-Income Customers, pursuant to St. 2005, c. 140, §17 (New England Gas Company Program)	March 27, 2006	Stamp Approval
05-86	Investigation by the Department on its own Motion into Standards for Arrearage Management Programs for Low-Income Customers, pursuant to St. 2005, c. 140, §17 (National Grid Program)	March 27, 2006	Stamp Approval
05-83	Petition of Tennessee Gas Pipeline Company to the Department for survey permission pursuant to M.G.L. c. 164, §§ 72A and 75D	March 29, 2006	Order
06-9	Petition of KeySpan Energy Delivery New England pursuant to G.L. c. 164, § 94A, for approval by the Department of a Natural Gas Asset Optimization Service Contract	March 29, 2006	Order

<b>Docket Number</b>	<b>Case Description</b>	<b>Date Issued</b>	<b>Order Type</b>
03-60-A	Proceeding by the Department on its own Motion to Implement the Requirements of the Federal Communications Commission's Triennial Review Order Regarding Switching for Mass Market Customers	March 31, 2006	Order
06-GC-03	Boston Gas Company d/b/a KeySpan Energy Delivery New England 365-Day Firm Transportation Service Agreement with Saunstar Operating Company, LLC d/b/a Boston Park Plaza	April 4, 2006	Stamp Approval
06-GC-04	Boston Gas Company d/b/a KeySpan Energy Delivery New England 365-Day Firm Transportation Service Agreement with The Gillette Company	April 4, 2006	Stamp Approval
06-4	Investigation by the Department to establish a permanent surcharge to recover prudently incurred costs associated with the provision of wireline Enhanced 911 services, relay services for TDD/TTY users, communications equipment distribution for people with disabilities, and amplified handsets at pay telephones	April 5, 2006	Order
RA 05-02	New York Energy, Inc., License as Gas Retail Agent	April 12, 2006	Stamp Approval
RA-017	Choice Energy Supply, License as Gas Retail Agent	April 12, 2006	Stamp Approval
06-GC-05	Boston Gas Company d/b/a KeySpan Energy Delivery New England Firm Transportation Service Agreement with Wellesley College	April 18, 2006	Stamp Approval
06-GC-06	Boston Gas Company d/b/a KeySpan Energy Delivery New England Firm Transportation Service Agreement with Kraft Foods Global, Inc., Atlantic Gelatin Division	April 18, 2006	Stamp Approval
05-28	Complaint of DSCI Corporation pursuant to G.L c. 159, §§ 10, 12-14, 16 and 19, and 220 CMR 1.04 for declaratory rulings concerning Verizon-New England d/b/a Verizon-Massachusetts customer specific pricing contracts and similar arrangements	April 21, 2006	Order
03-50	Verizon New England Inc. d/b/a Verizon Massachusetts Performance Assurance Plan	April 24, 2006	Letter Order
05-4	Verizon Massachusetts complaint concerning Broadview Networks, Inc. Customer Transfer Charges	April 26, 2006	Order
06-33	Investigation by the Department on its own motion to develop a long term plan for funding Enhanced 911 services	April 28, 2006	Order
06-GAF-O6	Petition of New England Gas Company (Fall River Service Area) for review and approval by the Department of the company's 2006 Off-Peak Cost of Gas Adjustment Clause filing	April 28, 2006	Letter Order
N/A	Fitchburg Gas and Electric Light Co. Quarterly and Semi-annual Basic Service Filing	April 28, 2006	Stamp Approval
06-38	Rulemaking by the Department on its own motion to amend 220 C.M.R. §§ 151.00 et seq. : Rail Fixed Guideway System: Safety System Program Standard	April 28, 2006	Order
06-GAF-O1	Petition of Bay State Gas Company for review and approval by the Department of the company's 2006 Off-Peak Cost of Gas Adjustment Clause filing	April 28, 2006	Letter Order

<b>Docket Number</b>	<b>Case Description</b>	<b>Date Issued</b>	<b>Order Type</b>
06-GAF-O2	Petition of The Berkshire Gas Company for review and approval by the Department of the company's 2006 Off-Peak Cost of Gas Adjustment Clause filing.	April 28, 2006	Letter Order
06-GAF-O3	Petition of Blackstone Gas Company for review and approval by the Department of the company's 2006 Off-Peak Cost of Gas Adjustment Clause filing	April 28, 2006	Letter Order
06-GAF-O4	Petition of Fitchburg Gas and Electric Light Company for review and approval by the Department of the company's 2006 Off-Peak Cost of Gas Adjustment Clause filing	April 28, 2006	Letter Order
06-GAF-O5	Petition of KeySpan Energy Delivery New England for review and approval by the Department of the company's 2006 Off-Peak Cost of Gas Adjustment Clause filing	April 28, 2006	Letter Order
06-GAF-O7	Petition of New England Gas Company (North Attleboro Service Area) for review and approval by the Department of the company's 2006 Off-Peak Cost of Gas Adjustment Clause filing	April 28, 2006	Letter Order
06-GAF-O8	Petition of NSTAR Gas Company for review and approval by the Department of the Company's 2006 Off-Peak Cost of Gas Adjustment Clause filing	April 28, 2006	Letter Order
05-61	Petition of Milford Water Company to the Department for approval of revised rates and changes in the Company's rules and regulations	April 28, 2006	Order
05-85	Petition of Boston Edison Company, Cambridge Electric Light Company, Commonwealth Electric Company and NSTAR Gas Company for approval by the Department of the Settlement Agreement entered into with the Attorney General of Massachusetts, the Low-Income Energy Affordability Network and Associated Industries of Massachusetts (Compliance Filing)	May 1, 2006	Stamp Approval
06-GC-7	Boston Gas Company Firm Transportation Agreement with New England and Children's Waltham Medical Center LLC	May 5, 2006	Stamp Approval
04-33	Petition of Verizon New England, Inc., d/b/a Verizon Massachusetts for Arbitration of Interconnection Agreements with Competitive Local Exchange Carriers and Commercial Radio Service Providers in Massachusetts pursuant to Section 252 of the Communications Act of 1934, as amended, and the Triennial Review Order	May 5, 2006	Order
06-26	Investigation by the Department Energy on its own motion as to the propriety of the rates and charges set forth in the following tariff: M.D.T.E. Tariff No. 10, filed with the Department on February 3, 2006 to become effective on March 5, 2006 by Verizon New England, Inc. d/b/a Verizon Massachusetts	May 18, 2006	Stamp Approval
05-59	Massachusetts Emergency Management Agency nuclear generating facilities request for assessment pursuant to Section 2 of Chapter 149 of the Acts of 2004	May 23, 2006	Order

<b>Docket Number</b>	<b>Case Description</b>	<b>Date Issued</b>	<b>Order Type</b>
05-95	Investigation by the Department on its own motion, pursuant to G.L. c. 159, §§ 12, 32, and 39, and G.L. c. 166, §§ 11 and 12, regarding the failure by individually-named common carriers of telecommunications services to file annual returns for calendar years 2003 and/or 2004	May 23, 2006	Order
05-28	Complaint of DSCI Corporation pursuant to G.L. c. 159, §§ 10, 12-14, 16 and 19, and 220 CMR 1.04 for declaratory rulings concerning Verizon-New England d/b/a Verizon-Massachusetts customer specific pricing contracts and similar arrangements	May 23, 2006	Stamp Approval
03-60-A	Proceeding by the Department on its own Motion to Implement the Requirements of the Federal Communications Commission's Triennial Review Order Regarding Switching for Mass Market Customers	May 30, 2006	Stamp Approval
N/A	Western Massachusetts Electric Company Quarterly and Semi-annual Basic Service Filing	May 31, 2006	Stamp Approval
N/A	NSTAR Load Response Program Tariffs	May 31, 2006	Stamp Approval
N/A	NSTAR Electric Quarterly and Semi-annual Basic Service Filing	June 1, 2006	Letter Order
06-10	Petition of NSTAR Gas Company to the Department, pursuant to G.L. c. 164, § 94A, for approval of a Replacement Agreement for Gas Supply with Constellation Power Source, Inc.	June 8, 2006	Order
06-GC-8	Boston Gas Company d/b/a KeySpan Energy Delivery New England 365-Day Firm Transportation Service Agreement with General Electric Company	June 8, 2006	Stamp Approval
06-51	Petition of Massachusetts Electric Company for approval by the Department of 2006 Summer Load Relief Program for Everett, E. Longmeadow and Brockton	June 19, 2006	Letter Order
N/A	Interconnection Agreement between NorthStar Telecom, Inc. and Verizon Massachusetts	June 20, 2006	Stamp Approval
N/A	Interconnection Agreement between CBB Carrier Services, Inc. and Verizon Massachusetts	June 20, 2006	Stamp Approval
N/A	Massachusetts Electric Company Quarterly Basic Service Filing	June 27, 2006	Stamp Approval
06-53	Petition of Plymouth Water Company to the Department for approval to revise and increase rates	June 30, 2006	Order
06-61	Investigation by the Department on its own motion as to the propriety of the rates and charges set forth in the following tariff: M.D.T.E. No. 14, filed with the Department on June 16, 2006, to become effective July 16, 2006, by Verizon New England, Inc. d/b/a Verizon Massachusetts	July 6, 2006	Order
RA-06-01	World Energy Solutions, Inc., License as Gas Retail Agent	July 6, 2006	Stamp Approval
GS-004	Select Energy, Inc., License as Gas Supplier	July 6, 2006	Stamp Approval
GS-027	Utility Resource Solutions, L.P., License as Gas Supplier	July 6, 2006	Stamp Approval
N/A	Interconnection Agreement between ProSpeed Net, Inc. and Verizon Massachusetts	July 6, 2006	Stamp Approval

<b>Docket Number</b>	<b>Case Description</b>	<b>Date Issued</b>	<b>Order Type</b>
06-3	Petition of New England Gas Company for approval by the Department of certain changes to the company's gas commodity purchasing practices for the Fall River and North Attleboro service areas	July 6, 2006	Order
04-33	Petition of Verizon New England, Inc., d/b/a Verizon Massachusetts for Arbitration of Interconnection Agreements with Competitive Local Exchange Carriers and Commercial Radio Service Providers in Massachusetts pursuant to Section 252 of the Communications Act of 1934, as amended, and the Triennial Review Order	July 7, 2006	Letter Order
05-7	Petition of The Berkshire Gas Company, pursuant to G.L. c. 164, §69I, for approval by the Department of the Company's Long-Range Forecast and Supply Plan for the split-years 2004-2005 to 2008-2009	July 7, 2006	Order
06-42	Petition of Bay State Gas Company to the Department for Approval of Precedent Agreement for Firm Natural Gas Storage and Related Agreements with Washington 10 Storage Corporation, Vector Pipeline Limited Partnership (Canada) and Vector Pipeline L.P. (U.S.)	July 14, 2006	Order
06-38-A	Rulemaking by the Department on its own motion to amend 220 C.M.R. §§ 151.00 et seq. : Rail Fixed Guideway System: Safety System Program Standard	July 14, 2006	Order
06-GC-09	Boston Gas Company d/b/a KeySpan Energy Delivery New England 365-Day Firm Transportation Service Agreement with Kraft Foods Global, Inc., d/b/a Veryfine Beverages	July 17, 2006	Letter Order
06-GC-10	Boston Gas Company d/b/a KeySpan Energy Delivery New England 365-Day Firm Transportation Service Agreement with Polaroid Corporation	July 17, 2006	Letter Order
06-GC-11	Boston Gas Company d/b/a KeySpan Energy Delivery New England 365-Day Firm Transportation Service Agreement with South Shore Hospital	July 17, 2006	Letter Order
06-GC-12	Boston Gas Company d/b/a KeySpan Energy Delivery New England 365-Day Firm Transportation Service Agreement with Hanscom Air Force Base	July 17, 2006	Letter Order
06-GC-13	Boston Gas Company d/b/a KeySpan Energy Delivery New England 365-Day Firm Transportation Agreement with Massachusetts Port Authority	July 17, 2006	Letter Order
EB 06-5	Consumer Energy Solutions, Inc., License as Electricity Broker	July 21, 2006	Stamp Approval
N/A	Verizon IntraLATA Presubscription Motion for Relief	July 24, 2006	Stamp Approval
EB 06-3	RMI Consulting, License as Electricity Broker	July 27, 2006	Stamp Approval
RA-008	Benjamin Parker, License Renewal as Gas Retail Agent	July 27, 2006	Stamp Approval
GS-06-01	Santa Buckley Energy, License as Gas Supplier	July 27, 2006	Stamp Approval
06-GC-14	Boston Gas Company d/b/a KeySpan Energy Delivery New England a 365-Day Firm Transportation Service Agreement with AlphaGary Corporation	July 27, 2006	Letter Order
RA-06-02	Consumer Energy Solutions, License as Gas Retail Agent	July 27, 2006	Stamp Approval
GS-014	Metromedia Energy Northeast, License Renewal as Gas Supplier	July 27, 2006	Stamp Approval

<b>Docket Number</b>	<b>Case Description</b>	<b>Date Issued</b>	<b>Order Type</b>
06-64	Petition of Whitinsville Water Company to the Department for approval of revised rates and changes in the Company's Rules and Regulations	July 28, 2006	Order
N/A	Fitchburg Gas and Electric Light Company Quarterly Basic Service Filing	July 28, 2006	Stamp Approval
06-7	Petition of Bay State Gas Company to the Department, pursuant to G.L. c. 164, §94A, for approval of an agreement between Bay State Gas Company and Northeast Energy Associates, L.P. governing Bay State's acquisition of incremental capacity and supply	July 31, 2006	Order
06-GC-16	Boston Gas Company d/b/a KeySpan Energy Delivery New England 365-Day Firm Transportation Agreement with Smurfit-Stone	July 31, 2006	Letter Order
06-GC-15	Boston Gas Company d/b/a KeySpan Energy Delivery New England 365-Day Firm transportation Service Agreement with Certain Teed Corporation	July 31, 2006	Letter Order
06-GC-17	Boston Gas Company d/b/a KeySpan Energy Delivery New England 365-Day Firm Transportation Agreement with Aggregate Industries d/b/a the Holcim Group (Saugus)	July 31, 2006	Letter Order
98-96	Assessments for FY 07 on electric companies to provide for reimbursement to the Commonwealth for funds appropriated by the General Court for additional operating funds for regulation of electric companies	August 4, 2006	Order
06-70	Investigation by the Department on its own motion pursuant to Chapter 123 of the Acts of 2006, § 115, to establish the maximum rates and fees to be charged by the Massachusetts Turnpike Authority to wireless providers for the placement and use of wireless attachments in the central artery tunnels	August 11, 2006	Order
N/A	Western Massachusetts Electric Company Quarterly Basic Service Filing	August 14, 2006	Stamp Approval
06-30	Petition of Mass 211, Inc. requesting approval by the Department to implement the abbreviated dialing code "211" for use as a statewide community information and referral service	August 25, 2006	Letter Order
06-66	Petition of NSTAR Gas Company to the Department for review and approval of the company's Fixed Price Option Pilot Program along with amended Default Service tariff and amended Seasonal Cost of Gas Adjustment Clause	August 31, 2006	Stamp Approval
N/A	NSTAR Electric Quarterly Basic Service Filing	August 31, 2006	Stamp Approval
06-5	Petition of Massachusetts Electric Company and Nantucket Electric Company to the Department for approval of the company's proposed rate adjustments to take effect March 2006	August 31, 2006	Order
06-67	Petition of Massachusetts Electric Company and Nantucket Electric Company d/b/a National Grid to the Department for approval of the company's Default Service Adjustment Provision, M.D.T.E. No. 1102	August 31, 2006	Order

<b>Docket Number</b>	<b>Case Description</b>	<b>Date Issued</b>	<b>Order Type</b>
06-46	Petition of The Berkshire Gas Company to the Department for approval of its third annual Price Cap Mechanism Plan rate adjustment filed pursuant to D.T.E. 01-56	August 31, 2006	Order
06-46	Petition of The Berkshire Gas Company to the Department for approval of its third annual Price Cap Mechanism Plan rate adjustment filed pursuant to D.T.E. 01-56 (Amended Compliance Filing)	September 6, 2006	Stamp Approval
N/A	Massachusetts Bay Transportation Authority operation of low floor light rail cars between North Station and Lechmere	September 6, 2006	Letter Order
05-GAF-P4/06-28	Petition of Fitchburg Gas and Electric Light Company for approval of a change in the method by which the company recovers its gas and electric bad debt costs	September 7, 2006	Order
EB-06-6	MRDB Holdings, License as Electricity Broker	September 7, 2006	Stamp Approval
EB-06-4	TFS Energy Solutions, License as Electricity Broker	September 7, 2006	Stamp Approval
06-GC-18	Fitchburg Gas and Electric Light Company d/b/a Unitil Standard Offer Contract for Interruptible City-Gate Gas Supply with Munksjo Paper Incorporated d/b/a Munksjo	September 8, 2006	Letter Order
EB-06-2	Energy Gateway, License as Electricity Broker	September 8, 2006	Stamp Approval
EB 06-8	Pencilbrook LLC, License as Electricity Broker	September 14, 2006	Stamp Approval
CS 06-1	Spark Energy, License as Competitive Supplier	September 14, 2006	Stamp Approval
GS-017	BP Energy Co., License Renewal as Gas Supplier	September 19, 2006	Stamp Approval
06-41	Petition of KeySpan Energy Delivery New England to the Department for approval of an Agency Agreement and a Management Services Agreement between KeySpan Energy Delivery New England and Northeast Gas Markets in accordance with M.G.L. c. 164, § 85A	September 25, 2006	Stamp Approval
GS-06-02	Boston Gas Company d/b/a KeySpan Energy Delivery New England Firm Transportation Agreement with Simmons College	September 28, 2006	Stamp Approval
06-EC-1	Cambridge Electric Light Company d/b/a NSTAR Electric amendment to agreements for standby and supplemental service with Biogen Idec MA, Inc.	September 28, 2006	Stamp Approval
06-27	Petition of The Berkshire Gas Company to the Department for Approval of a Gas Sales Agreement between The Berkshire Gas Company and Coral Energy Resources, L.P.	September 29, 2006	Order
N/A	Massachusetts Electric Company Quarterly and Semi-Annual Basic Service Filing	September 29, 2006	Stamp Approval
06-GAF-O1	Petition of Bay State Gas Company for review and approval by the Department of the company's 2006 Off-Peak Cost of Gas Adjustment Clause filing	September 29, 2006	Letter Order
06-GAF-O5	Petition of KeySpan Energy Delivery New England for review and approval by the Department of the company's 2006 Off-Peak Cost of Gas Adjustment Clause filing	September 29, 2006	Letter Order
06-65	Petition of KeySpan Energy Delivery New England to the Department for review and approval of proposed changes in the company's gas procurement practices	September 29, 2006	Stamp Approval
RA-018	Risk Services Group, Renewal Application for License as Retail Agent	October 2, 2006	Stamp Approval



<b>Docket Number</b>	<b>Case Description</b>	<b>Date Issued</b>	<b>Order Type</b>
RA-06-05	Hill Energy Services, LLC - Application for License as Gas Retail Agent	October 2, 2006	Stamp Approval
GS-028	Direct Energy Services LLC, License as Gas Supplier	October 5, 2006	Stamp Approval
GS-002	Hess Corporation, Renewal Application for License as Gas Supplier	October 5, 2006	Stamp Approval
06-74	Petition of Fitchburg Gas and Electric Light Company to the Department for approval to initiate a large customer default service procurement pilot program	October 6, 2006	Stamp Approval
06-40	Joint Petition of Boston Edison Company, Cambridge Electric Light Company, Canal Electric Company and Commonwealth Electric Company d/b/a NSTAR Electric Company for Approval of Merger pursuant to G.L. c. 164, § 96 and in accordance with D.T.E. 05-85	October 8, 2006	Order
06-71	Petition of Southern Union Company to the Department for authorization and Approval: (1) to issue up to \$600 million of long-term debt; and (2) to issue an additional 2.0 million shares of common stock in Order to administer Southern Union's Second Amended 2003 Stock and Incentive Plan, both pursuant to G.L. c. 164, §§ 14 and 16	October 12, 2006	Order
05-68	Petition of KeySpan Energy Delivery New England to the Department, pursuant to G.L. c. 164, § 69I, for review and approval of its Long-Range Resource and Requirements Plan for the forecast period 2005/06 to 2009/10	October 13, 2006	Order
05-48-A	Petition of Bay State Gas Company for Approval by the Department of Firm Transportation and Related Agreements with TransCanada Pipelines Limited and Union Gas Limited	October 13, 2006	Stamp Approval
06-GAF-P8	Petition of NSTAR Gas Company for review and approval by the Department of the Company's 2006 Remediation Adjustment Clause filing	October 16, 2006	Letter Order
06-56	Petition of Charter Fiberlink MA-CCO, LLC to the Department for Arbitration of an Amendment to the Interconnection Agreement between Verizon Massachusetts, Inc. and Charter Fiberlink MA-CCO, LLC pursuant to 47 U.S.C. §252(b)	October 23, 2006	Stamp Approval
EB 06-9	Harland Energy Company, License as Electricity Broker	October 23, 2006	Stamp Approval
EB 06-7	Patriot Energy Management, License as Electricity Broker	October 23, 2006	Stamp Approval
04-40/04-109/ 05-10	Petition of Western Massachusetts Electric Company for approval by the Department of the company's transition charge reconciliation filing, Standard Offer reconciliation filing, Default Service (Basic Service) reconciliation filing and transmission reconciliation filing	October 24, 2006	Order
RA-015	Competitive Energy Services - Mass. LLC, Renewal Application for License as Retail Agent	October 27, 2006	Stamp Approval
RA-016	Energy Window, Inc., Application for License as Gas Retail Agent	October 27, 2006	Stamp Approval
GS-023	Global Companies, LLC, Application for License as Gas Supplier	October 27, 2006	Stamp Approval

<b>Docket Number</b>	<b>Case Description</b>	<b>Date Issued</b>	<b>Order Type</b>
06-GC-20	Boston Gas Company d/b/a KeySpan Energy Delivery Firm Transportation Agreement with North Shore Medical Center d/b/a Union Hospital	October 27, 2006	Stamp Approval
06-GC-19	Colonial Gas Company d/b/a KeySpan Energy Delivery of New England Firm Transportation Agreement with Bardon Trimount Corporation d/b/a Aggregate Industries (Dennis, MA)	October 27, 2006	Stamp Approval
06-GC-21	Colonial Gas Company d/b/a KeySpan Energy Delivery of New England Firm Transportation Agreement with Bardon Trimount Corporation d/b/a Aggregate Industries (Hyannis, MA)	October 27, 2006	Stamp Approval
N/A	Fitchburg Gas and Electric Light Company Quarterly and Semi-Annual Basic Service Filing	October 27, 2006	Stamp Approval
06-49	Petition of Blackstone Gas Company to the Department for approval of its second annual Performance Base Rate rate adjustment pursuant to D.T.E. 04-79 (2004)	October 30, 2006	Order
06-75	Petition of Massachusetts Electric Company and Nantucket Electric Company d/b/a National Grid to the Department for approval to revise the Default Service Cost Reclassification Adjustment Factors, M.D.T.E. 1103	October 31, 2006	Order
06-67	Petition of Massachusetts Electric Company and Nantucket Electric Company d/b/a National Grid to the Department for approval of the Company's Default Service Adjustment Provision, M.D.T.E. No. 1102	October 31, 2006	Order
05-50	Petition of Blackstone Gas Company, pursuant to G.L. c. 164, § 69I, for approval by the Department of its 2005 Long-Range Forecast and Resource Plan for the planning horizon 2005-2010	October 31, 2006	Order
06-78	Petition of Boston Gas Company d/b/a KeySpan Energy Delivery New England to the Department for approval of its third annual Performance-Based Rate Adjustment pursuant to D.T.E. 03-40 (2003)	October 31, 2006	Order
N/A	Interconnection Agreement between Cingular Wireless and Verizon Massachusetts	October 31, 2006	Stamp Approval
N/A	Interconnection Agreement between Sprint Communications Company, LP and Verizon Massachusetts	October 31, 2006	Stamp Approval
N/A	Interconnection Agreement between CommPartners, LLC and Verizon Massachusetts	October 31, 2006	Stamp Approval
N/A	Interconnection Agreement between YMax Communications Corp. and Verizon Massachusetts	October 31, 2006	Stamp Approval
N/A	Interconnection Agreement between Close Call America and Verizon Massachusetts	October 31, 2006	Stamp Approval
N/A	Interconnection Agreement between MMG Holdings, Inc. and Verizon Massachusetts	October 31, 2006	Stamp Approval
06-GAF-P1	Petition of Bay State Gas Company for review and approval by the Department of the company's 2006 Peak Period Gas Adjustment Factors for the Period November 2006 through April 2007; 2005-2006 Reconciliation	October 31, 2006	Letter Order

<b>Docket Number</b>	<b>Case Description</b>	<b>Date Issued</b>	<b>Order Type</b>
06-GAF-P2	Petition of The Berkshire Gas Company for review and approval by the Department of the company's 2006 Peak Cost of Gas Adjustment Clause filing	October 31, 2006	Letter Order
06-GAF-P3	Petition of Blackstone Gas Company for review and approval by the Department of the company's 2006 Peak Period Gas Adjustment Factors for the Period November 2006 through April 2007; 2005-2006 Reconciliation	October 31, 2006	Letter Order
06-GAF-P4	Petition of Fitchburg Gas and Electric Light Company for review and approval by the Department of the company's 2006 Peak Period Gas Adjustment Factors for the Period November 2006 through April 2007; 2005-2006 Reconciliation	October 31, 2006	Letter Order
06-GAF-P5	Petition of KeySpan Energy Delivery New England for review and approval by the Department of the company's 2006 Peak Cost of Gas Adjustment Clause filing	October 31, 2006	Letter Order
06-GAF-P6	Petition of New England Gas Company for review and approval by the Department of the company's 2006 Remediation Adjustment Clause filing for the Fall River service area	October 31, 2006	Letter Order
06-GAF-P7	Petition of New England Gas Company for review and approval by the Department of the company's 2006 Remediation Adjustment Clause filing for the North Attleboro service area	October 31, 2006	Letter Order
06-77	Petition of Bay State Gas Company to the Department for approval of its first annual Performance Base Rate rate adjustment pursuant to D.T.E. 05-27 (2005)	October 31, 2006	Order
06-77	Petition of Bay State Gas Company to the Department for approval of its first annual Performance Base Rate rate adjustment pursuant to D.T.E. 05-27 (2005) (Compliance Filing)	November 2, 2006	Stamp Approval
06-49	Petition of Blackstone Gas Company to the Department for approval of its second annual Performance Base Rate rate adjustment pursuant to D.T.E. 04-79 (2004) (Amended Compliance Filing)	November 2, 2006	Stamp Approval
N/A	Interconnection Agreement between Spectravoice, Inc. and Verizon Massachusetts	November 9, 2006	Stamp Approval
N/A	Interconnection Agreement between Transbeam, Inc. and Verizon Massachusetts	November 9, 2006	Stamp Approval
05-62	Petition of Colonial Gas Company d/b/a KeySpan Energy Delivery New England for authority to recover exogenous costs associated with lost base revenues	November 13, 2006	Order
CS 06-3	Glacier Energy of New England, License as Competitive Supplier	November 15, 2006	Stamp Approval
EB 06-10	Hill Energy, License as Electricity Broker	November 15, 2006	Stamp Approval
EB 06-12	Rapid Power Management, License as Electricity Broker	November 15, 2006	Stamp Approval
EB 06-13	Satori Enterprises, License as Electricity Broker	November 15, 2006	Stamp Approval
N/A	Western Massachusetts Electric Company Quarterly and Semi-Annual Basic Service Filing	November 16, 2006	Stamp Approval

<b>Docket Number</b>	<b>Case Description</b>	<b>Date Issued</b>	<b>Order Type</b>
06-61	Investigation by the Department on its own motion as to the propriety of the rates and charges set forth in the following tariff: M.D.T.E. No. 14, filed with the Department on June 16, 2006, to become effective July 16, 2006, by Verizon New England, Inc. d/b/a Verizon Massachusetts.	November 17, 2006	Order
CS 06-2	Freedom Energy Partners, License as Competitive Supplier	November 20, 2006	Stamp Approval
06-63	Petition of Commonwealth Electric Company d/b/a NSTAR Electric to the Department for Approval of an Amended Power-Purchase Agreement with SEMASS Partnership pursuant to G.L. c. 164, §94A and 220 C.M.R 8.00 et seq.	November 22, 2006	Order
04-116-A	Investigation by the Department on its own motion regarding the service quality guidelines established in Service Quality Standards for Electric Distribution Companies and Local Gas Distribution Companies, D.T.E. 99-84 (2001)	November 22, 2006	Order
RA-021	Kilojolts Consulting Group, Inc., Application to Renew License as Gas Retail Agent	November 27, 2006	Stamp Approval
GS 06-03	Coral Energy Resources, LP, License as Gas Supplier	November 27, 2006	Stamp Approval
06-76	Petition of Fitchburg Gas and Electric Light Company d/b/a Unitil, for review and approval by the Department of the company's annual reconciliation and rate filing for the Default Service Costs Adder and Base Rate Reduction	November 29, 2006	Order
02-38-C	Investigation by the Department on its own Motion into Distributed Generation	November 30, 2006	Stamp Approval
06-4	Investigation by the Department to establish a permanent surcharge to recover prudently incurred costs associated with the provision of wireline Enhanced 911 services, relay services for TDD/TTY users, communications equipment distribution for people with disabilities, and amplified handsets at pay telephones	December 1, 2006	Order
EB 06-14	Buckeye Energy Brokers, License as Electricity Broker	December 1, 2006	Stamp Approval
06-44	Petition of NSTAR Gas Company to the Department, pursuant to G.L. c. 164, §94A for approval of a long-term supply and a long-term transportation assignment agreement with Northeast Energy Associates	December 1, 2006	Order
06-7-A	Petition of Bay State Gas Company to the Department, pursuant to G.L. c. 164, §94A, for approval of an agreement between Bay State Gas Company and Northeast Energy Associates, L.P. governing Bay State's acquisition of incremental capacity and supply (Reconsideration)	December 4, 2006	Order
N/A	Interconnection Agreement between TWCIS MA and Verizon Massachusetts	December 6, 2006	Stamp Approval
06-54	Petition of KeySpan Energy Delivery New England to the Department for approval of a Firm Transportation Agreement with Algonquin Gas Transmission, LLC	December 8, 2006	Order

<b>Docket Number</b>	<b>Case Description</b>	<b>Date Issued</b>	<b>Order Type</b>
06-100	Petition of Southern Union Company to the Department for authorization and approval to issue up to \$300 million of long-term debt, pursuant to G.L. c. 164, §§ 14 and 16	December 8, 2006	Order
06-55	Petition of Western Massachusetts Electric Company to the Department, pursuant to G.L. c. 164, § 94 and 220 C.M.R. § 5.00 et seq., for approval of settled rates pursuant to an agreement among Western Massachusetts Electric Company, the Attorney General of the Commonwealth of Massachusetts, the Associated Industries of Massachusetts and the Low Income Energy Affordability Network	December 14, 2006	Order
06-81	Petition of Fitchburg Gas and Electric Light Company d/b/a Unitil to the Department for review and approval of the company's Annual Pension/PBOP Adjustment Factor Reconciliation and Rate Filing	December 14, 2006	Stamp Approval
GC-06-25	Essex Gas Company d/b/a KeySpan Energy Delivery New England Firm Transportation Service Agreement with Brox Industries	December 18, 2006	Letter Order
06-GC-24	Boston Gas Company d/b/a KeySpan Energy Delivery New England Firm Transportation Service Agreement with Newton Wellesley Hospital.	December 18, 2006	Letter Order
RA-019	Premier Energy Group LLC, Renewal Application for License as a Gas Retail Agent	December 18, 2006	Stamp Approval
N/A	NSTAR Electric Basic Service Rates	December 19, 2006	Letter Order
N/A	Massachusetts Electric Company Basic Service Rates	December 19, 2006	Letter Order
06-GC-22	Boston Gas Company d/b/a KeySpan Energy Delivery New England First Amendment to the Firm Transportation Agreement with SouthBridge Power and Thermal, L.L.C	December 20, 2006	Letter Order
06-GC-23	Boston Gas Company d/b/a KeySpan Energy Delivery New England Firm Transportation Service Agreement with McLean Hospital	December 20, 2006	Letter Order
06-SL-2	Adjudicatory proceeding in the matter of complaint of Lubov Ivan Zabava relative to the services provided by NETECOM Inc.	December 21, 2006	Order
06-12	Investigation by the Department into Bay State Gas Company's 2005 Service Quality Report, filed pursuant to Service Quality Standards for Electric Distribution Companies and Local Gas Distribution Companies, D.T.E. 99-84, Att. 1, IX (June 29, 2001)	December 21, 2006	Letter Order
06-13	Investigation by the Department into The Berkshire Gas Company's 2005 Service Quality Report, filed pursuant to Service Quality Standards for Electric Distribution Companies and Local Gas Distribution Companies, D.T.E. 99-84, Att. 1, IX (June 29, 2001)	December 21, 2006	Letter Order
06-14	Investigation by the Department into Blackstone Gas Company's 2005 Service Quality Report, filed pursuant to Service Quality Standards for Electric Distribution Companies and Local Gas Distribution Companies, D.T.E. 99-84, Att. 1, IX (June 29, 2001)	December 21, 2006	Letter Order

<b>Docket Number</b>	<b>Case Description</b>	<b>Date Issued</b>	<b>Order Type</b>
06-15	Investigation by the Department into Boston Edison Company d/b/a NSTAR Electric Company's 2005 Service Quality Report, filed pursuant to Service Quality Standards for Electric Distribution Companies and Local Gas Distribution Companies, D.T.E. 99-84, Att. 1, IX (June 29, 2001)	December 21, 2006	Letter Order
06-16	Investigation by the Department into Boston Gas Company d/b/a KeySpan Energy Delivery New England's 2005 Service Quality Report, filed pursuant to Service Quality Standards for Electric Distribution Companies and Local Gas Distribution Companies, D.T.E. 99-84, Att. 1, IX (June 29, 2001)	December 21, 2006	Letter Order
06-17	Investigation by the Department into Cambridge Electric Light Company d/b/a NSTAR Electric's 2005 Service Quality Report, filed pursuant to Service Quality Standards for Electric Distribution Companies and Local Gas Distribution Companies, D.T.E. 99-84, Att. 1, IX (June 29, 2001)	December 21, 2006	Letter Order
06-18	Investigation by the Department into Colonial Gas Company d/b/a KeySpan Energy Delivery New England's 2005 Service Quality Report, filed pursuant to Service Quality Standards for Electric Distribution Companies and Local Gas Distribution Companies, D.T.E. 99-84, Att. 1, IX (June 29, 2001)	December 21, 2006	Letter Order
06-19	Investigation by the Department into Commonwealth Electric Company d/b/a NSTAR Electric Company's 2005 Service Quality Report, filed pursuant to Service Quality Standards for Electric Distribution Companies and Local Gas Distribution Companies, D.T.E. 99-84, Att. 1, IX (June 29, 2001)	December 21, 2006	Letter Order
06-20	Investigation by the Department into Essex Gas Company d/b/a KeySpan Energy Delivery New England's 2005 Service Quality Report, filed pursuant to Service Quality Standards for Electric Distribution Companies and Local Gas Distribution Companies, D.T.E. 99-84, Att. 1, IX (June 29, 2001)	December 21, 2006	Letter Order
06-21	Investigation by the Department into Fitchburg Gas and Electric Light Company's 2005 Service Quality Report, filed pursuant to Service Quality Standards for Electric Distribution Companies and Local Gas Distribution Companies, D.T.E. 99-84, Att. 1, IX (June 29, 2001)	December 21, 2006	Letter Order
06-22	Investigation by the Department into Massachusetts Electric Company and Nantucket Electric Company's 2005 Service Quality Report, filed pursuant to Service Quality Standards for Electric Distribution Companies and Local Gas Distribution Companies, D.T.E. 99-84, Att. 1, IX (June 29, 2001)	December 21, 2006	Letter Order
06-23	Investigation by the Department into NSTAR Gas Company's 2005 Service Quality Report, filed pursuant to Service Quality Standards for Electric Distribution Companies and Local Gas Distribution Companies, D.T.E. 99-84, Att. 1, IX (June 29, 2001)	December 21, 2006	Letter Order

<b>Docket Number</b>	<b>Case Description</b>	<b>Date Issued</b>	<b>Order Type</b>
06-24	Investigation by the Department into New England Gas Company's 2005 Service Quality Report, filed pursuant to Service Quality Standards for Electric Distribution Companies and Local Gas Distribution Companies, D.T.E. 99-84, Att. 1, IX (June 29, 2001)	December 21, 2006	Letter Order
06-25	Investigation by the Department into Western Massachusetts Electric Company's 2005 Service Quality Report, filed pursuant to Service Quality Standards for Electric Distribution Companies and Local Gas Distribution Companies, D.T.E. 99-84, Att. 1, IX (June 29, 2001)	December 21, 2006	Letter Order
06-70	Investigation by the Department on its own motion pursuant to Chapter 123 of the Acts of 2006, § 115, to establish the maximum rates and fees to be charged by the Massachusetts Turnpike Authority to wireless providers for the placement and use of wireless attachments in the central artery tunnels	December 21, 2006	Order
RA 06-06	Secure Energy Solutions, License as Gas Retail Agent	December 21, 2006	Stamp Approval
GS 06-04	Global Montello Group Corporation, License as Gas Supplier	December 21, 2006	Stamp Approval
06-33	Investigation by the Department on its own motion to develop a long term plan for funding Enhanced 911 services	December 22, 2006	Order
06-106	Petition of Nantucket Electric Company d/b/a National Grid for approval by the Department of a Cable Facilities Surcharge to become effective on January 1, 2007	December 22, 2006	Order
06-110	Petition of Fitchburg Gas and Electric Light Company d/b/a Unitil for approval by the Department of its Annual Electric Reconciliation Mechanism	December 22, 2006	Order
06-111	Petition of Boston Edison Company, Cambridge Electric Light Company, Commonwealth Electric Company and NSTAR Gas Company, for review and approval of their 4th annual Pension/PBOP Adjustment Factors	December 22, 2006	Stamp Approval
06-67	Petition of Massachusetts Electric Company and Nantucket Electric Company d/b/a National Grid to the Department for approval of the company's Default Service Adjustment Provision, M.D.T.E. No. 1102	December 22, 2006	Order
03-50	Verizon New England Inc. d/b/a Verizon Massachusetts Performance Assurance Plan	December 22, 2006	Letter Order
06-104	Petition of Massachusetts Electric Company and Nantucket Electric Company d/b/a National Grid to the Department for approval of Terms and Conditions for Municipal Aggregators	December 22, 2006	Order
06-108	Petition of Boston Edison Company, Cambridge Electric Light Company and Commonwealth Electric Company d/b/a NSTAR Electric to the Department, for review and approval of its 2006 Transition Cost Reconciliation Filing	December 22, 2006	Order

<b>Docket Number</b>	<b>Case Description</b>	<b>Date Issued</b>	<b>Order Type</b>
04-116-B	Investigation by the Department on its own motion regarding the service quality guidelines established in Service Quality Standards for Electric Distribution Companies and Local Gas Distribution Companies, D.T.E. 99-84 (2001)	December 22, 2006	Order
06-88	Petition of Massachusetts Electric Company and Nantucket Electric Company d/b/a National Grid to the Department for Approval of Fiscal Period 2007 Residential Conservation Service Program Budget and Recovery of Program Operating Costs, pursuant to G.L. c. 25, §19; G.L. c.164 App. §§2-1 through 2-10 and 220 C.M.R. §§ 7.0 et seq.	December 26, 2006	Stamp Approval
06-89	Application of Bay State Gas Company, pursuant to G.L. c. 164 App. §§2-1 through 2-10; and 220 C.M.R. §§ 7.00 et seq., for approval by the Department of the company's Residential Conservation Services Budget for the calendar year 2007	December 26, 2006	Stamp Approval
06-90	Application of KeySpan Energy Delivery New England, pursuant to G.L. c. 164 App. §§2-1 through 2-10; and 220 C.M.R. §§ 7.00 et seq., for approval by the Department of the company's Residential Conservation Services Budget for the calendar year 2007	December 26, 2006	Stamp Approval
06-91	Application of Fitchburg Gas and Electric Light Company, pursuant to G.L. c. 164 App. §§2-1 through 2-10; and 220 C.M.R. §§ 7.00 et seq., for approval by the Department of the company's Residential Conservation Services Budget for the calendar year 2007	December 26, 2006	Stamp Approval
06-92	Application of NSTAR Gas Company, pursuant to G.L. c. 164 App. §§2-1 through 2-10; and 220 C.M.R. §§ 7.00 et seq., for approval by the Department of the company's Residential Conservation Services Budget for the calendar year 2007	December 26, 2006	Stamp Approval
06-93	Application of NSTAR Electric Company, pursuant to G.L. c. 164 App. §§2-1 through 2-10; and 220 C.M.R. §§ 7.00 et seq., for approval by the Department of the company's Residential Conservation Services Budget for the calendar year 2007	December 26, 2006	Stamp Approval
06-94	Application of the Cape Light Compact, pursuant to G.L. c. 164 App. §§2-1 through 2-10; and 220 C.M.R. §§ 7.00 et seq., for approval by the Department of the company's Calendar Year 2007 Massachusetts Residential Conservation Services Program Budget	December 26, 2006	Stamp Approval
06-95	Application of New England Gas Company, North Attleboro service area, pursuant to G.L. c. 164 App. §§2-1 through 2-10; and 220 C.M.R. §§ 7.00 et seq., for approval by the Department of the company's Residential Conservation Services Budget for the calendar year 2007	December 26, 2006	Stamp Approval



<b>Docket Number</b>	<b>Case Description</b>	<b>Date Issued</b>	<b>Order Type</b>
06-96	Application of New England Gas Company, Fall River service area, pursuant to G.L. c. 164 App. §§2-1 through 2-10; and 220 C.M.R. §§ 7.00 et seq., for approval by the Department of the company's Residential Conservation Services Budget for the calendar year 2007	December 26, 2006	Stamp Approval
06-97	Application of The Berkshire Gas Company, pursuant to G.L. c. 164 App. §§2-1 through 2-10; and 220 C.M.R. §§ 7.00 et seq., for approval by the Department of the company's Residential Conservation Services Budget for the calendar year 2007	December 26, 2006	Stamp Approval
06-98	Application of Blackstone Gas Company, pursuant to G.L. c. 164 App. §§2-1 through 2-10; and 220 C.M.R. §§ 7.00 et seq., for approval by the Department of the company's Residential Conservation Services Budget for the calendar year 2007	December 26, 2006	Stamp Approval
06-99	Application of Western Massachusetts Electric Company, pursuant to G.L. c. 164 App. §§2-1 through 2-10; and 220 C.M.R. §§ 7.00 et seq., for approval by the Department of the company's Residential Conservation Services Budget for the calendar year 2007	December 26, 2006	Stamp Approval
06-112	Request of Aquarion Water Company of Massachusetts for Accounting Treatment of Pension and Post-Retirement Benefits	December 27, 2006	Stamp Approval
06-GAF-P2	Petition of The Berkshire Gas Company for review and approval by the Department of the company's 2006 Peak Cost of Gas Adjustment Clause filing (2007 Revised filing)	December 27, 2006	Letter Order
06-82	Boston Edison Company, Cambridge Electric Light Company, and Commonwealth Electric Company d/b/a NSTAR Electric's 2006 Distribution Rate Adjustment/Transition Cost Reconciliation Filing	December 29, 2006	Order
06-55-A	Petition of Western Massachusetts Electric Company, pursuant to General Laws Chapter 164, §94, and 220 C.M.R. §§ 5.00 et seq. for approval of a rate settlement effective January 1, 2007	December 29, 2006	Stamp Approval
06-105	Petition of Western Massachusetts Electric Company for approval of its request for a rate change pursuant to the Electric Industry Restructuring Act, St. 1997, c. 164	December 29, 2006	Order

#### **Appendix 4 -Cable Division Orders Released in 2006**

<u>Date Issued</u>	<u>Docket Number</u>	<u>Operator/Subject</u>
January 13, 2006	CTV 04-5 (phase II)	Time Warner Cable - Order on Compliance Filing
January 27, 2006	CTV 04-3/04-4	Comcast Cable Communications, Inc. - Order on Refund Plan
March 22, 2006	CTV 05-2	Interlocutory Order on Standard of Review, Administrative notice, and Partial Summary Decision
March 31, 2006	CTV 04-3/04-4	Comcast Cable Communications - Order on Petition for Reconsideration and on Compliance Filing
April 7, 2006	CTV 05-1	Cox Communications - Rate Order
April 27, 2006	CTV 05-6	Adelphia Communications Corporation - Rate Order
May 3, 2006	CTV 04-3/04-4	Comcast Cable Communications - Order on Compliance Filings
May 5, 2006	CTV 06-1	Order Instituting Rulemaking
June 12, 2006	CTV 05-4	Time Warner Cable - Rate Order
July 19, 2006	CTV 05-5/06-2	Charter Communications - Order Consolidating Proceedings
September 26, 2006	CTV 05-3	Comcast Cable Communications - Rate Order
October 16, 2006	CTV 05-5/06-2	Charter Communications - Rate Order
October 25, 2006	CTV 05-3	Comcast Cable Communications - Order on Compliance Filing
October 25, 2006	CTV 05-5/06-2	Charter Communications - Stamp Approval of Compliance Filing

<u>Date Issued</u>	<u>Docket Number</u>	<u>Operator/Subject</u>
November 3, 2006	CTV 05-2	Comcast of Massachusetts, III, Inc. v. Town of Framingham - Stamp Grant of Joint Motion to Dismiss
December 14, 2006	CTV 06-4	Order Extending Time for Determination involving FCC Form 1205